



**Johnston Community School District
Johnston, Iowa**

Comprehensive Annual Financial Report

Year Ended June 30, 2008

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
JOHNSTON COMMUNITY SCHOOL DISTRICT**

Johnston, Iowa

Fiscal Year Ended June 30, 2008

OFFICIAL ISSUING REPORT

Jan Miller-Hook, Executive Director of Financial Services

OFFICE ISSUING REPORT

Business Office

JOHNSTON COMMUNITY SCHOOL DISTRICT
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Johnston Community School District

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Jan Miller-Hook, Executive Director of Financial Services

October 21, 2008

Members of the Board of Education
Johnston Community School District
Johnston, Iowa

The Comprehensive Annual Financial Report (CAFR) for the Johnston Community School District for the fiscal year ended June 30, 2008 is submitted herewith.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed information is fairly stated in all material respects and is presented in a manner which sets forth the financial position and results of operations of the various funds of the District in accordance with generally accepted accounting principles, (GAAP). It includes all District funds. All disclosures necessary to enable a reader to gain maximum understanding of the District's financial activities have been included.

The 2008 Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit Compliance. The Introductory Section includes a transmittal letter, the District's organizational chart, a list of District officials, and the Certificate of Achievement for Excellence in Financial reporting presented by the Government Finance Officers Association and the Association of School Business Officials.

The financial section consists of the independent auditor's report, Management's Discussion and Analysis, audited basic financial statements, required supplemental information, and combining and individual fund statements and schedules. The audited basic financial statements present both an overview and a broad long-term perspective of the School District as a whole in the government-wide financial statements. The Management's Discussion and Analysis presents financial highlights and information.

The Statistical Section sets forth selected unaudited financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. This section contains all necessary schedules and auditor's reports required for the District to comply with these regulations.

Reporting Entity

This report includes all entities or organizations that are required to be included in the school district's reporting entity. The District is a separate reporting entity and is not included in any other reporting entity. A seven-member elected Board of Directors governs the Johnston Community School District. The Board of Directors is a policy-making and planning body whose decisions are carried out by school administrators.

The Johnston Community School District is located in the northwest part of Polk County and one of the fastest growing suburbs of Des Moines, Iowa. The District is the 14th largest of Iowa's 364 public school systems. The enrollment is approximately 5,637 students. The District provides a full range of educational services appropriate to students in early childhood, preschool and grades kindergarten through twelve. These services include basic, regular and enriched academic education; special education for children with special needs; vocational education; and numerous individualized programs such as specialized instruction for students at-risk and for limited-English-speaking students.

In addition to the elementary, middle school and high school programs offered in the District, there are additional opportunities for achieving success. Students attend METRO West, an alternative school for students who function better in a less-structured environment. Students may also attend the Central Academy that affords additional opportunities for a greater breadth of classes.

The District serves these students in one high school, two middle schools and five elementary schools (Timber Ridge Elementary opened August 2007). All of these buildings are either new or remodeled in the past 25 years.

Economic Condition and Outlook

The District is located in the central part of the state, within the larger Des Moines metropolitan area and ranks as one of the top growth areas of the country. The economic condition and outlook is stable. The District has experienced tremendous growth over the past several years. This growth has had a positive effect on employment and the District's tax base. The District has averaged a nearly 10% annual increase in the tax base over the past ten years, and experienced approximately a 7% increase in 2008.

Based on conservative projections, this trend is expected to continue well into the next decade. While having a positive impact, the growth also presents significant challenges for the District. The District utilizes the optional instructional support levy at a level deemed appropriate and will need to continue a high level of efficient use of human resources and facilities.

Retail sales, building permits, and population increases in the western suburbs far exceed that of any other location in the metropolitan area or in the State of Iowa. These increases are expected to continue if economic conditions remain stable.

Major Initiatives

It is projected that the district will continue to grow for the foreseeable future with growth topping out at 6,000 – 6,500 students. Construction was completed for the Middle School expansion, baseball facility, and work continued on the remodel and expansion of the Johnston High School.

In order to fund these projects, \$26.5 million in general obligation bonds were sold in fiscal year 2006 and 10 million August 2007. The sale came from previous voter approval of a \$36.5 million bond referendum. The general obligation bonds will be repaid with Local Option Sales and Services Taxes until the levy expires. At that time, the remaining debt will be repaid with property taxes.

Internal Control

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. As a part of the District's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the District has complied with applicable laws and regulations.

Budgetary Controls

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's governing body. Activities of the General Fund, Special Revenue Funds, Enterprise Fund, Debt Service Fund and Capital Projects Fund are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established by function and encompasses all fund types. To facilitate the monitoring of the legal provisions, and to provide more complete information to interested parties the District prepares a more detailed budget for each fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

As demonstrated by the statements and schedules included in the Management's Discussion and Analysis included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Risk Management

Johnston Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Cash Management

Cash temporarily idle during the year was invested in sweep accounts and the Iowa School Joint Investment Trust. In addition, funds from General Obligation Bond proceeds have been invested in certificates of deposit that allow monthly withdrawals for construction payments.

Independent Audit

The Code of the State of Iowa requires an annual audit of the District to be performed by an accounting firm selected in a competitively bid process. The annual audit meets the requirements of the Code of Iowa, generally accepted auditing standards and the requirements of the 1996 Amendment to the Single Audit Act, and related OMB Circular A-133. The auditor's report on the general-purpose financial statements and combining and individual fund statements is included in the financial section of this report.

The auditor's reports related specifically to the single audit are included in a separate section for internal controls and compliance.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Johnston Community School District for its comprehensive annual financial report for the fiscal year ended June 30, 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District also received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials (ASBO) upon recommendation of the Association's Panel of Review, which has judged that the report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program. A certificate is valid for a period of one year, and we are submitting this report to ASBO to determine its eligibility for another certificate.

Acknowledgements

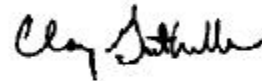
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire central administrative support staff and our auditors, Van Maanen and Associates. P.C. Finally, we would like to thank the Board of Education for their continued interest and support in conducting the financial operations of the District in a most responsible and progressive manner.

We are pleased to present this report of the results of the District's financial operation for the fiscal year ended June 30, 2008. It is our hope that study and review of this report will provide a better understanding of the District's financial operation for the District patrons.

Respectfully submitted,

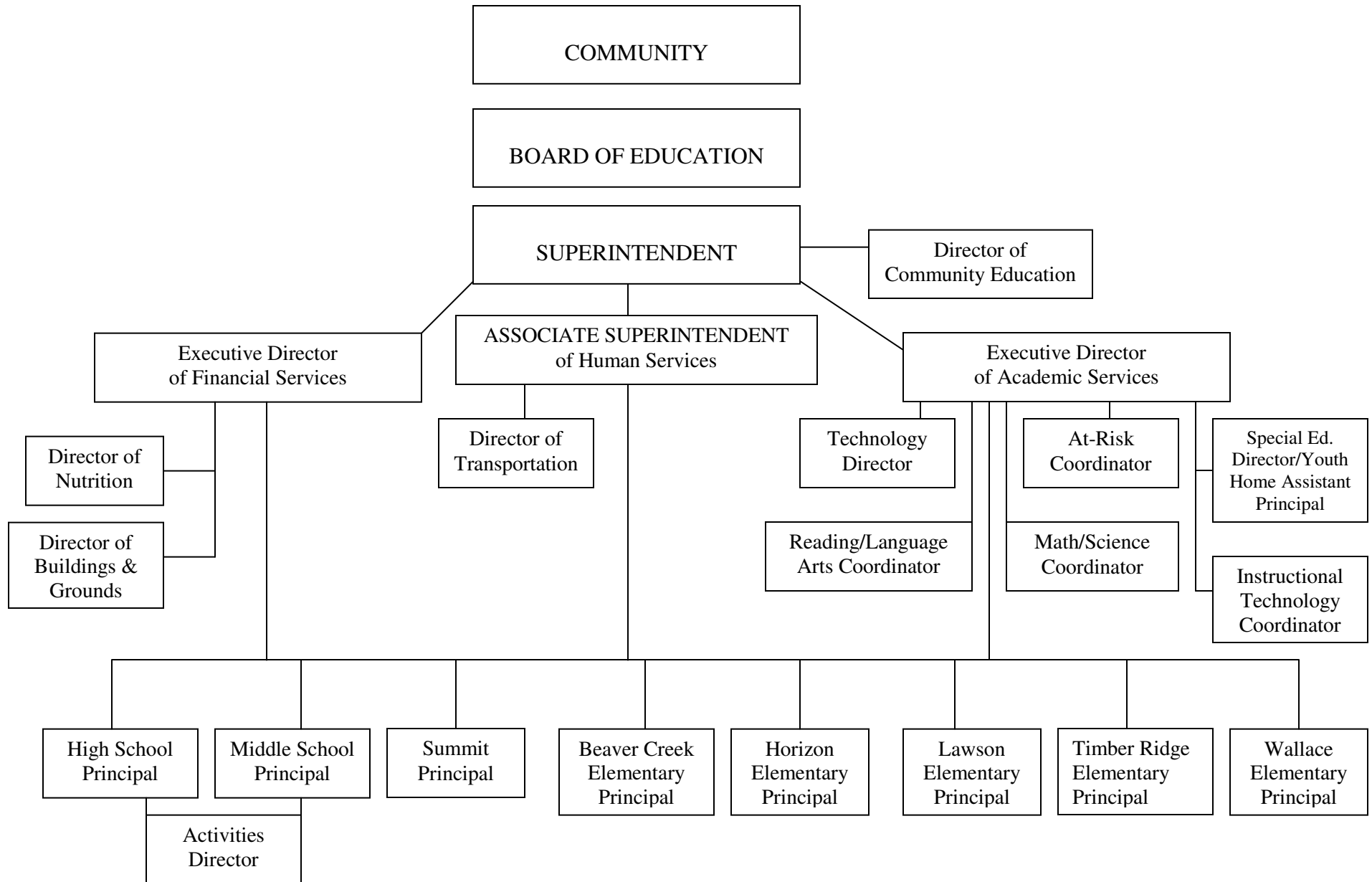


Jan Miller-Hook
Executive Director of Financial Services



Clay Guthmiller
Superintendent of Schools

Johnston Community School District, Organizational Chart, Year Ended June 30, 2008



Johnston Community School District

List of Principal Officials
Year Ended June 30, 2008

Board of Education (Before September, 2007 Election)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Christopher Sonner	President	2009
Ralph Young	Vice President	2009
Alan Sprinkle	Board Member	2007
Julie Summa	Board Member	2007
Karen Coaldrake	Board Member	2007
Dean Gillaspey	Board Member	2008
Jill Morrill	Board Member	2008

Board of Education (After September, 2007 Election)

Ralph Young	President	2009
Dean Gillaspey	Vice President	2008
Jill Morrill	Board Member	2008
Christopher Sonner	Board Member	2009
Karen Coaldrake *	Board Member	2010
Jackie Heiser **	Board Member	2008
Mike Farrell	Board Member	2010
Tracey Orman	Board Member	2010

Board Attorney

Ahlers Law Firm	Attorney	Indefinite
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* Deceased 3/2008

** Appointed to fulfill Karen Coaldrake's position until September 2008

Johnston Community School District

SCHOOL DISTRICT ADMINISTRATION

Year Ended June 30, 2008

<u>Name</u>	<u>Position</u>
Clay Guthmiller	Superintendent of Schools
Dr. James A. Casey	Associate Superintendent of Human Resource Services
Dr. Bruce Amendt	Executive Director of Academic Affairs
Jan Miller-Hook	Executive Director of Financial Services
Nancy J. Buryanek	Director of Community Education
Tim Kline	Director of Buildings and Grounds
Steve Landwehr	Assistant Director of Buildings and Grounds
LaRae Doll	Director of Nutrition & Food Services
Rick Huggins	Director of Transportation
Dave McGill	Director of Technology
Bruce Hukee	High School Principal
Randy Klein	High School Associate Principal
Jerry Stratton	High School Associate Principal
Brian Carico	Middle School Principal
Brent Riessen	Middle School Associate Principal
Linda Hansen	Summit Middle School Principal
Kevin Blackburn	Summit School Associate Principal
Gary L. Ross	Director of Athletics and Activities
Cheryl Henkenius	Lawson Elementary Principal
Terry Jacob	Horizon Elementary Principal
Suzie Pearson	Wallace Elementary Principal
Eric Toot	Beaver Creek Elementary Principal
Vickie McCool	Y-Home Associate Principal & Special Education Coordinator

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

JOHNSTON COMMUNITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2007

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Johnston Community School
District, Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial
Reporting is presented by the Government Finance Officers
Association of the United States and Canada to
government units and public employee retirement
systems whose comprehensive annual financial
reports (CAFRs) achieve the highest
standards in government accounting
and financial reporting.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director





Independent Auditor's Report

To the Board of Education
Johnston Community School District
Johnston, Iowa

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Johnston Community School District, Johnston, Iowa, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Johnston Community School District at June 30, 2008, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 10, 2008 on our consideration of Johnston Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 13 through 21 and 54 through 56 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Johnston Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2007 (which are not presented herein) and expressed unqualified opinions on those financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Other supplementary information included in Schedules 1 through 10, and the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, found in the Compliance Section, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Van Maanen & Associates, P.C.

Van Maanen & Associates, P.C.
Certified Public Accountants

October 10, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Johnston Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

Financial Highlights

- The district showed an increase in net assets for governmental activities to \$6,935,187 and \$9,062,642 during the years ended June 30, 2008 and 2007, respectively.
- Total revenues for the fiscal year ended June 30, 2008 and 2007 of \$67,121,099 and \$62,295,775 were comprised of General Revenues in the amount of \$51,755,160 and \$49,460,736 and Program Revenues totaling \$15,365,939 and \$12,835,039 respectively.
- As of June 30, 2008, the District's governmental funds reported combined ending fund balances of \$25,270,744, an increase of \$4,057,643 in comparison with 2007. This compares with June 30, 2007 balance of \$21,213,101, a decrease of \$14,167,027 in comparison with 2006.
- As of June 30, 2008, unreserved undesignated fund balance for the General Fund was \$2,713,355 or 5.6% of total General Fund expenditures. This is a slight decrease from the balance on June 30, 2007 of \$2,693,386 or 6.2% of expenditures.

Overview of the Financial Statements

This report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements.
- The statements for *governmental funds* explain how basic services, such as regular and special education, were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

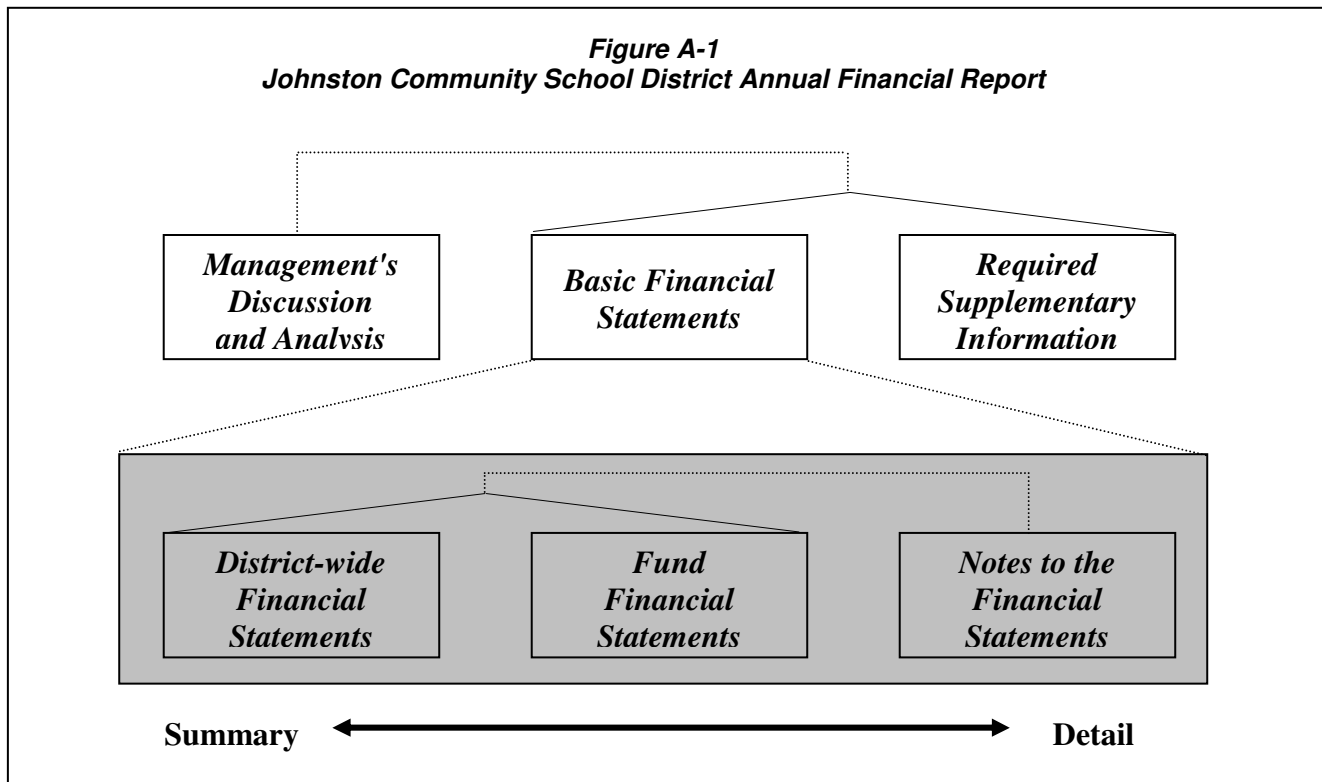


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2 Major Features of the District-Wide and Fund Financial Statements			
	District-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses and changes in net assets • Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two District-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business-type activities*: The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds or to show that it is properly using certain revenues such as federal grants.

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental fund statements explains the relationship or differences between the two statements.
 - The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund.

- **Proprietary funds.** The District's proprietary funds are reported in the same way as the District-wide statements.
 - The District's enterprise funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District currently has three enterprise funds: School Nutrition, Daycare and Community Education.
 - The District's internal service funds consist of revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis. The District's internal service funds are the Health and Dental Insurance and Flex Benefit funds.

Financial Analysis of the District as a Whole

Net assets - Figure A-3 below provides a summary of the District's net assets for the year ended June 30, 2008.

Figure A-3 Condensed Statement of Net Assets							
	Governmental activities		Business type activities		Total	Total Change	
	June 30,		June 30,		June 30,	June 30,	
	2008	2007	2008	2007	2008	2007	2007-2008
Current and other assets	\$ 61,431,409	55,650,584	1,933,322	1,665,506	63,364,731	57,316,090	10.6%
Capital assets	87,860,080	81,353,908	860,311	865,179	88,720,391	82,219,087	7.9%
Total assets	149,291,489	137,004,492	2,793,633	2,530,685	152,085,122	139,535,177	9.0%
Long-term debt outstanding	57,241,994	47,756,150	-	-	57,241,994	47,756,150	19.9%
Other liabilities	34,054,182	38,188,216	218,787	192,010	34,272,969	38,380,226	-10.7%
Total liabilities	91,296,176	85,944,366	218,787	192,010	91,514,963	86,136,376	6.2%
Net assets:							
Invested in capital assets, net of related debt	39,330,607	35,699,534	860,311	865,179	40,190,918	36,564,713	9.9%
Restricted	13,641,285	11,831,699	-	-	13,641,285	11,831,699	15.3%
Unrestricted	5,023,421	3,528,893	1,714,535	1,473,496	6,737,956	5,002,389	34.7%
Total net assets	\$ 57,995,313	51,060,126	2,574,846	2,338,675	60,570,159	53,398,801	13.4%

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The District's total net assets have increased from a year ago \$53,398,801 to \$60,570,159.

The significant portions of the District's combined net assets reflect its investment in capital assets and are not available for future spending. The District's net assets invested in capital assets, net of related debt, was \$40,190,918 for 2008 and \$36,564,713 for 2007.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Long-term debt liabilities will be repaid through future property and sales taxes collections. Bond debt retirement for the year was \$5,365,000.

Property tax and unrestricted state grants account for 74 percent of the total revenue. The District's expenses primarily relate to instruction and support services that account for 83 percent of the total expenses.

The restricted portion of the District's net assets (22.5 percent for 2008 and 22.2 percent for 2007) represents resources that are subject to external restrictions in how they may be used. Restrictions for 2008 include \$9,702,122 for capital projects, \$3,123,091 for physical plant and equipment levy, \$364,379 for other special revenue purposes, \$229,706 for debt service, \$35,617 for management levy, and \$186,370 for other purpose restricted assets. The remaining balance of unrestricted net assets of \$6,737,956 for 2008 and \$5,002,389 for 2007 may be used to meet the government's ongoing obligations to students and creditors.

The District's total net assets increased by \$7,171,358 during the current fiscal year as compared to \$8,963,296 in 2007. The governmental activities net assets increased by \$6,935,187 in 2008 and \$9,062,642 in 2007. The increase in governmental activities net assets for 2008 was mainly attributable to less than expected budgeted expenditures. The business type activities (which include nutrition, community education and daycare) increased by \$236,171 in 2008, as compared to an increase of \$98,719 in 2007. The increase is due to completion of Middle School construction which limited programs and facility rental revenue in 2007, and allowed those programs back in 2008.

Governmental Activities

Revenues for governmental activities were \$61,721,082 and expenses were \$54,785,895. Net assets increased by \$6,935,187.

Figure A-4 highlights the District's revenues and expenses for the fiscal year ended June 30, 2008 and 2007. These two main components are subtracted to yield the change in net assets. This exhibit utilizes the full accrual method of accounting. Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services and sales, operating and capital grants and contributions. General revenue includes taxes and unrestricted grants such as state foundation support.

Expenses are shown in programs including instruction, support services, non-instructional programs and other expenses.

Figure A-4							
Changes in Net Assets							
	Governmental activities		Business type activities		Total District		
	Year ended June 30,		Year ended June 30,		Year ended June 30,		
	2008	2007	2008	2007	2008	2007	
Revenues:							
Program revenues:							
Charges for services	\$ 4,957,996	4,065,829	4,575,608	4,106,522	9,533,604	8,172,351	
Operating grants and contributions	5,115,230	4,136,055	717,105	526,633	5,832,335	4,662,688	
General Revenues:							
Local taxes	30,063,824	28,943,854	-	-	30,063,824	28,943,854	
State grants	19,400,505	17,692,641	-	-	19,400,505	17,692,641	
Investment earnings	1,148,153	1,610,716	-	-	1,148,153	1,610,716	
Other	1,035,374	1,213,525	107,304	-	1,142,678	1,213,525	
Total revenues	61,721,082	57,662,620	5,400,017	4,633,155	67,121,099	62,295,775	
Expenses:							
Program expenses:							
Instruction	34,346,658	30,666,801	-	-	34,346,658	30,666,801	
Support services - students & staff	4,069,979	3,364,566	-	-	4,069,979	3,364,566	
Support services - administration	4,929,567	4,344,754	-	-	4,929,567	4,344,754	
Operations and maintenance	4,488,374	3,896,886	-	-	4,488,374	3,896,886	
Transportation	2,097,710	2,048,069	-	-	2,097,710	2,048,069	
Non-instructional activities	4,853,607	4,278,902	5,163,846	4,731,871	10,017,453	9,010,773	
Total expenses	54,785,895	48,599,978	5,163,846	4,731,871	59,949,741	53,331,849	
Excess (deficiency) of revenues over (under) expenses	6,935,187	9,062,642	236,171	(98,716)	7,171,358	8,963,926	
Change in net assets	\$ 6,935,187	9,062,642	236,171	(98,716)	7,171,358	8,963,926	

Business Type Activities

Revenues of the District's business-type activities were \$5,400,017 and expenses were \$5,163,846. Net assets increased \$236,171. The District's business-type activities include the School Nutrition, Daycare and Community Education Funds. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds as well. On June 30, 2008 the District's governmental funds reported combined fund balances of \$25,270,744 as compared to the 2007 ending fund balances of \$21,213,101. Unrestricted net assets increased primarily due to less than expected spending in the PPEL and Capital Projects Funds.

Governmental Fund Highlights

- The District's General Fund financial position continued to improve. The June 30, 2007 balance of \$3,197,855 increased to \$3,211,317 on June 30, 2008. Increased cash reserve levies by the Board of Education to improve fund balances offset by the increased expenditures of opening and staffing a new elementary resulted in a slight increase.
- The Debt Service Fund balance increased from \$397,337 June 30, 2007 to \$454,343 June 30, 2008.
- The capital projects fund balance increased from \$14,123,571 June 30, 2007 to \$17,177,649 June 30, 2008 as the remaining ten million in bonds were sold, and proceeds will be spent on future construction needs.
- The non-major special revenue funds balance increased as funds were accumulated to pay for anticipated construction projects from PPEL proceeds.

Proprietary Fund Highlights

The School Nutrition Fund net assets increased from \$1,497,056 on June 30, 2007 to \$1,635,632 on June 30, 2008. The net assets of Community Education and Daycare Funds increased 17.6% due to completion of construction at the Middle School which allowed programs and facility rental revenue to return.

Budgetary Highlights

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except for internal services, private-purpose trusts and agency funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the accrual basis. Schedules showing the original and final budget amounts compared to the District's actual financial activity are included in the required supplementary information section of this report.

Legal Budgetary Highlights

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. In accordance with the Code of Iowa, the Board of Education annual adopts a program budget for all funds except internal service and agency funds as described in the note to required supplementary information.

A comparison of actual expenditures/expenses of the District's budgeted funds with the final program budget amounts is as follows:

	Original and Final	Actual	Variance
Instruction	\$ 35,785,544	32,774,056	3,011,488
Support services	15,778,923	15,805,154	(26,231)
Non-instructional programs	7,531,772	5,297,790	2,233,982
Other	35,395,581	19,126,663	16,268,918
	<u>\$ 94,491,820</u>	<u>73,003,663</u>	<u>21,488,157</u>

"Other" expenditures variance is due to construction project expenditures not meeting projected cash flows, always a difficult estimate.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2008, the District had invested \$88,720,391 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. This compares to the June 30, 2007 balance of \$82,219,087. See Figure A-5.

The original cost of the District's capital assets was \$117,149,120. Governmental funds account for \$115,354,247 with the remainder, \$1,794,873, in the Enterprise funds.

The largest change in capital asset activity during the year occurred in the construction in progress and buildings category. Fiscal year 2008 saw the completion of major construction projects including a new elementary and middle school remodel, and the continuation of the remodel and expansion of the High School.

Figure A-5 Capital Assets, Net of Depreciation							
	Governmental activities		Business type activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2008	2007	2008	2007	2008	2007	2007-2008
Land	\$ 2,655,021	2,655,021	-	-	2,655,021	2,655,021	0.0%
Construction in progress	8,481,974	21,203,336	-	-	8,481,974	21,203,336	-60.0%
Buildings	72,716,590	54,447,715	-	-	72,716,590	54,447,715	33.6%
Improvements other than buildings	2,597,803	1,799,181	-	-	2,597,803	1,799,181	44.4%
Furniture and equipment	1,408,692	1,248,655	860,311	865,179	2,269,003	2,113,834	7.3%
Total	\$ 87,860,080	81,353,908	860,311	865,179	88,720,391	82,219,087	7.9%

Additional information about the District's capital assets can be found in Note 4 on page 47 in the notes to the financial statements.

Long-Term Debt

At June 30, 2008 the District had \$57,178,233 in general obligation bonds and other long-term debt outstanding. This represents an increase of approximately 8.2 percent from June 30, 2007. (See Figure A-6) More detailed information about the District's long-term liabilities is available in Note 5 to the financial statements.

The decrease in early retirement obligations reflects only one eligible employee electing early retirement at the end of this fiscal year coupled with one year less liability compared to previous year. This obligation is a fixed dollar amount toward health insurance until the employee is Medicare eligible.

Figure A-6 Long-term Debt Obligations			
	Total School District		Total Change
	June 30,		June 30,
	2008	2007	2007-2008
General obligation bonds	\$ 47,690,000	40,055,000	19.1%
Revenue bonds	4,885,000	7,250,000	-32.6%
Capital loan notes	3,430,000	4,065,000	-15.6%
Early retirement	1,173,233	1,486,975	-21.1%
Totals	\$ 57,178,233	52,856,975	8.2%

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- The District expects continued enrollment growth during the foreseeable future. The district's enrollment growth has averaged 5.0% annually over the last 10-years.
- The District has averaged nearly 10% annual increase in the tax base over the past 10 years, and experienced approximately a 7% increase with 2008.
- The continued slow growth in state revenues and increasing enrollments will continue to put great pressure on district finances to meet both the personnel and facility needs of the District.
- The economy is also a factor that could have consequences for the district in regard to state revenues, property valuations, and enrollment with the decline in housing construction.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jan Miller-Hook, Executive Director of Financial Services, Johnston Community School District, 5608 Merle Hay Road, Johnston, IA 50131-1234.



Basic Financial Statements

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
June 30, 2008

	Governmental Activities	Business Type Activities	Total Primary Government
Assets			
Current Assets:			
Cash and cash equivalents:	\$ 31,881,027	1,825,675	33,706,702
Receivables:			
Property tax:			
Delinquent	264,912	-	264,912
Succeeding year	26,569,962	-	26,569,962
Accounts	153,096	18,425	171,521
Due from other governments	2,512,313	21,022	2,533,335
Inventories	31,176	68,200	99,376
Total current assets	61,412,486	1,933,322	63,345,808
Non-current assets:			
Bond issuance costs	18,923	-	18,923
Capital assets:			
Land and improvements	6,999,656	-	6,999,656
Buildings and improvements	94,608,384	-	94,608,384
Vehicles, furniture and equipment	5,264,233	1,794,873	7,059,106
Construction in progress	8,481,974	-	8,481,974
Accumulated depreciation	(27,494,167)	(934,562)	(28,428,729)
Total capital assets	87,860,080	860,311	88,720,391
Total non-current assets	87,879,003	860,311	88,739,314
Total assets	149,291,489	2,793,633	152,085,122
Liabilities			
Accounts payable	2,251,963	57,755	2,309,718
Insurance claims payable	588,029	-	588,029
Salaries and benefits payable	4,409,591	99,585	4,509,176
Accrued interest payable	224,637	-	224,637
Unearned revenue:			
Succeeding year property tax	26,569,962	-	26,569,962
Other	10,000	61,447	71,447
Capital loan notes payable	650,000	-	650,000
Revenue bonds payable	2,415,000	-	2,415,000
General obligation bonds payable	2,455,000	-	2,455,000
Early retirement payable	268,885	-	268,885
Total current liabilities	39,843,067	218,787	40,061,854
Non-current liabilities:			
Capital loan notes payable	2,780,000	-	2,780,000
Revenue bonds payable	2,470,000	-	2,470,000
Bond premiums	63,761	-	63,761
General obligation bonds payable	45,235,000	-	45,235,000
Early retirement payable	904,348	-	904,348
Total non-current liabilities	51,453,109	-	51,453,109
Total liabilities	91,296,176	218,787	91,514,963

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
June 30, 2008

	Governmental Activities	Business Type Activities	Total Primary Government
<i>Continued from previous page</i>			
Net Assets			
Invested in capital assets, net of related debt	39,330,607	860,311	40,190,918
Restricted for:			
Management levy	35,617	-	35,617
Debt service	3,672,187	-	3,672,187
Capital projects	6,259,641	-	6,259,641
Physical plant and equipment levy	3,123,091	-	3,123,091
Other special revenue purposes	364,379	-	364,379
Other purposes	186,370	-	186,370
Unrestricted	5,023,421	1,714,535	6,737,956
Total net assets	\$ 57,995,313	2,574,846	60,570,159

See notes to basic financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
Year ended June 30, 2008

Functions/Programs	Program Revenues		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest
Governmental activities:			
Instruction:			
Regular instruction	\$ 24,559,242	1,853,269	2,591,846
Special instruction	7,051,071	2,372,689	608,367
Other instruction	2,736,345	495,632	30,843
	<u>34,346,658</u>	<u>4,721,590</u>	<u>3,231,056</u>
Support Service:			
Student services	1,380,591	-	-
Instructional staff services	2,689,388	-	-
Administration services	4,929,567	-	-
Operating and maintenance of plant services	4,488,374	23,580	-
Transportation services	2,097,710	212,826	112,629
	<u>15,585,630</u>	<u>236,406</u>	<u>112,629</u>
Non-instructional programs:			
Nutrition services	22,305	-	-
Community Education services	60,227	-	-
	<u>82,532</u>	<u>-</u>	<u>-</u>
Other expenditures:			
Other programs	778,920	-	-
Long-term debt interest	2,220,610	-	-
AEA support	1,771,545	-	1,771,545
	<u>4,771,075</u>	<u>-</u>	<u>1,771,545</u>
Total governmental activities	54,785,895	4,957,996	5,115,230
Business type activities:			
Non-instructional programs:			
Nutrition services	2,403,213	1,877,541	556,944
Preschool services	413,625	347,099	118,097
Day Care services	1,837,881	1,871,711	28,100
Community Education services	509,127	479,257	13,964
Total business type activities	<u>5,163,846</u>	<u>4,575,608</u>	<u>717,105</u>
Total primary governmental activities	<u>\$ 59,949,741</u>	<u>9,533,604</u>	<u>5,832,335</u>

Exhibit B

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business Type Activities	Total Primary Government
(20,114,127)	-	(20,114,127)
(4,070,015)	-	(4,070,015)
(2,209,870)	-	(2,209,870)
(26,394,012)	-	(26,394,012)
(1,380,591)	-	(1,380,591)
(2,689,388)	-	(2,689,388)
(4,929,567)	-	(4,929,567)
(4,464,794)	-	(4,464,794)
(1,772,255)	-	(1,772,255)
(15,236,595)	-	(15,236,595)
(22,305)	-	(22,305)
(60,227)	-	(60,227)
(82,532)	-	(82,532)
(778,920)	-	(778,920)
(2,220,610)	-	(2,220,610)
-	-	-
(2,999,530)	-	(2,999,530)
(44,712,669)	-	(44,712,669)
-	31,272	31,272
-	51,571	51,571
-	61,930	61,930
-	(15,906)	(15,906)
-	128,867	128,867
(44,712,669)	128,867	(44,583,802)

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
Year ended June 30, 2008

	Program Revenues		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest
<i>Totals continued from previous pages</i>	\$ 59,949,741	9,533,604	5,832,335
General Revenues:			
Property tax levied for:			
General purposes			
Debt service			
Capital outlay			
Local option sales and services tax			
Unrestricted state grants			
Unrestricted investment earnings			
Other			
Transfers - capital contribution			
Total general revenues, capital contributions and transfers			
Change in net assets			
Net assets beginning of year			
Net assets end of year			

See notes to basic financial statements.

Exhibit B

Net (Expense) Revenue and Changes in Net Assets			
	Governmental Activities	Business Type Activities	Total Primary Government
\$	(44,712,669)	128,867	(44,583,802)
	19,689,959	-	19,689,959
	2,657,697	-	2,657,697
	2,485,836	-	2,485,836
	5,230,332	-	5,230,332
	19,400,505	-	19,400,505
	1,148,153	-	1,148,153
	1,142,678	-	1,142,678
	(107,304)	107,304	-
	51,647,856	107,304	51,755,160
	6,935,187	236,171	7,171,358
	51,060,126	2,338,675	53,398,801
\$	57,995,313	2,574,846	60,570,159

JOHNSTON COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
Assets					
Cash and pooled investments	\$ 6,360,052	425,770	17,351,057	4,752,778	28,889,657
Receivables:					
Property tax:					
Current year delinquent	198,020	28,573	-	38,319	264,912
Succeeding year	20,221,464	2,564,182	-	3,784,316	26,569,962
Accounts	117,222	-	-	35,874	153,096
Due from other governments	1,791,036	-	721,277	-	2,512,313
Inventories	31,176	-	-	-	31,176
Total assets	\$ 28,718,970	3,018,525	18,072,334	8,611,287	58,421,116
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 883,851	-	894,685	113,398	1,891,934
Salaries and benefits payable	4,392,338	-	-	17,253	4,409,591
Early retirement payable	-	-	-	268,885	268,885
Deferred revenue:					
Succeeding year property tax	20,221,464	2,564,182	-	3,784,316	26,569,962
Other	10,000	-	-	-	10,000
Total liabilities	25,507,653	2,564,182	894,685	4,183,852	33,150,372
Fund balances:					
Reserved for:					
Inventories	31,176	-	-	-	31,176
Debt service	-	454,343	3,442,481	-	3,896,824
State grants	155,194	-	-	-	155,194
Unreserved:					
Designated for special purposes by the Board	311,592	-	-	-	311,592
Undesignated, reported in:					
General fund	2,713,355	-	-	-	2,713,355
Capital projects fund	-	-	13,735,168	-	13,735,168
Special revenue funds:					
Management fund	-	-	-	939,965	939,965
Student activity fund	-	-	-	364,379	364,379
Physical plant and equipment fund	-	-	-	3,123,091	3,123,091
Total fund balances	3,211,317	454,343	17,177,649	4,427,435	25,270,744
Total liabilities and fund balances	\$ 28,718,970	3,018,525	18,072,334	8,611,287	58,421,116

See notes to basic financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET ASSETS
 June 30, 2008

Total fund balances of governmental funds (Exhibit C) **\$ 25,270,744**

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 87,860,080

The Internal Service Fund is used by management to charge the costs of partial self funding of the District's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets. 2,043,312

Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Those liabilities at year-end consist of:

Capital loan notes payable	\$	(3,430,000)	
Revenue bonds payable		(4,885,000)	
General obligation bonds payable		(47,690,000)	
Bond issuance costs		18,923	
Bond premiums		(63,761)	
Accrued interest		(224,637)	
Early retirement		(1,173,233)	
Portion of early retirement reflected on governmental funds		268,885	(57,178,823)

Net assets of governmental activities (Exhibit A) **\$ 57,995,313**

See notes to basic financial statements.

Exhibit E

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended June 30, 2008

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
Revenues:					
Local sources:					
Local tax	\$ 18,603,184	2,657,697	5,230,332	3,572,611	30,063,824
Tuition	3,860,880	-	-	-	3,860,880
Other	1,520,144	49,874	926,585	825,396	3,321,999
Intermediate sources	85,004	-	-	-	85,004
State sources	23,886,278	693	-	945	23,887,916
Federal sources	608,267	-	-	138	608,405
Total revenues	48,563,757	2,708,264	6,156,917	4,399,090	61,828,028
Expenditures:					
Current:					
Instruction:					
Regular instruction	22,542,858	-	-	297,288	22,840,146
Special instruction	7,135,533	-	-	-	7,135,533
Other instruction	2,171,823	-	-	626,554	2,798,377
	31,850,214	-	-	923,842	32,774,056
Support services:					
Student services	1,391,404	-	-	21,638	1,413,042
Instructional staff services	2,392,955	-	-	286,759	2,679,714
Administration services	4,898,867	2,474	73,763	241,473	5,216,577
Operation and maintenance of plant services	4,215,587	-	-	295,841	4,511,428
Transportation services	1,918,638	-	-	65,755	1,984,393
	14,817,451	2,474	73,763	911,466	15,805,154
Non-instructional programs:					
Food services	-	-	-	22,305	22,305
Community service and education	111,443	-	-	196	111,639
	111,443	-	-	22,501	133,944
Capital outlay:					
Other expenditures	-	-	9,322,797	416,363	9,739,160
Debt Service:					
Other expenditures:					
Principal	-	5,365,000	-	-	5,365,000
Interest	-	2,230,458	-	-	2,230,458
Services	-	-	20,500	-	20,500
	-	7,595,458	20,500	-	7,615,958
Intergovernmental:					
Other expenditures	1,771,545	-	-	-	1,771,545
Total expenditures	48,550,653	7,597,932	9,417,060	2,274,172	67,839,817
Excess (deficiency) of revenues over (under) expenditures	13,104	(4,889,668)	(3,260,143)	2,124,918	(6,011,789)

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended June 30, 2008

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
<i>Continued from previous page</i>					
Other financing sources (uses):					
Proceeds from the sale of assets	358	-	-	-	358
Proceeds of general obligation bonds	-	-	10,069,074	-	10,069,074
Transfers in	-	4,946,674	450,831	-	5,397,505
Transfers out	-	-	(4,205,684)	(1,191,821)	(5,397,505)
Total other financing sources (uses)	358	4,946,674	6,314,221	(1,191,821)	10,069,432
Net change in fund balances	13,462	57,006	3,054,078	933,097	4,057,643
Fund balances beginning of year	3,197,855	397,337	14,123,571	3,494,338	21,213,101
Fund balances end of year	\$ 3,211,317	454,343	17,177,649	4,427,435	25,270,744

See notes to basic financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 Year ended June 30, 2008

Net change in fund balances - total governmental funds (Exhibit E) \$ 4,057,643

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital outlays	\$ 8,892,495	
Less current year depreciation	<u>(2,386,323)</u>	6,506,172

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Assets. Repayment of long-term debt liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Also, governmental funds report the effect of issuance costs and premiums, whereas these amounts are deferred in and amortized in the Statement of Activities. Current year items are as follows:

Proceeds from issuing general obligation bonds	(10,000,000)	
Premiums on general obligation issuance	(69,074)	
Payment of general obligation bond issuance costs	20,500	
Repayments of bond and note principal	5,365,000	
Amortization of premiums and bond issuance costs	<u>3,736</u>	(4,679,838)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

9,848

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Early retirement	296,802
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The Internal Service Fund is used by management to charge the costs of employee health benefits to individual funds. The change in net assets of the Internal Service Fund is reported with governmental activities.

744,560

Change in net assets of governmental activities (Exhibit B)	<u>\$ 6,935,187</u>
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See notes to basic financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2008

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,825,675	2,991,370
Receivables:		
Accounts	18,425	-
Due from other governments	21,022	-
Inventories	68,200	-
Total current assets	<u>1,933,322</u>	<u>2,991,370</u>
Non-current assets:		
Property and equipment:		
Machinery and equipment	1,794,873	-
Accumulated depreciation	(934,562)	-
Total non-current assets	<u>860,311</u>	<u>-</u>
Total assets	<u><u>2,793,633</u></u>	<u><u>2,991,370</u></u>
Liabilities		
Current liabilities:		
Accounts payable	57,755	360,029
Insurance claims liability	-	588,029
Accrued salaries and benefits payable	99,585	-
Unearned revenues	61,447	-
Total current liabilities	<u>218,787</u>	<u>948,058</u>
Net Assets		
Invested in capital assets	860,311	-
Unrestricted	1,714,535	2,043,312
Total net assets	<u><u>\$ 2,574,846</u></u>	<u><u>2,043,312</u></u>

See notes to basic financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year ended June 30, 2008

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Operating revenue:		
Local sources:		
Operating revenues	\$ 4,575,608	6,019,219
Operating expenses:		
Instructional programs:		
Support services:		
Other	-	5,274,659
Non-instructional programs:		
Food service operations:		
Depreciation	127,011	-
Other	2,276,202	-
	2,403,213	-
Community service operations:		
Depreciation	10,177	-
Other	2,750,456	-
	2,760,633	-
Total operating expenses	5,163,846	5,274,659
Operating income (loss)	(588,238)	744,560
Non-operating revenues:		
State sources	137,001	-
Federal sources	499,481	-
Contributions	18,390	-
Interest income	62,233	-
Total non-operating revenues	717,105	-
Net income before capital contributions	128,867	744,560
Capital contributions	107,304	-
Changes in net assets	236,171	744,560
Net assets beginning of year	2,338,675	1,298,752
Net assets end of year	\$ 2,574,846	\$ 2,043,312

See notes to basic financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2008

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 1,879,105	-
Cash received from community services	2,672,996	6,019,219
Cash payments to employees for services	(3,078,837)	(5,164,935)
Cash payments to suppliers for goods or services	(1,845,714)	(37,137)
Net cash provided (used) by operating activities	(372,450)	817,147
Cash flows from non-capital financing activities:		
Operating contributions	18,390	-
State grants received	137,001	-
Federal grants received	366,804	-
Net cash provided by non-capital financing activities	522,195	-
Cash flows from capital and related financing activities:		
Capital contributions	107,304	-
Acquisition of capital assets	(132,320)	-
Net cash used by capital and related financing activities	(25,016)	-
Cash flows from investing activities:		
Interest on investments	62,233	-
Net increase in cash and cash equivalents	186,962	817,147
Cash and cash equivalents at beginning of year	1,638,713	2,174,223
Cash and cash equivalents at end of year	\$ 1,825,675	2,991,370
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (588,238)	744,560
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Commodities used	132,677	-
Depreciation	137,188	-
(Increase) in accounts receivable	(5,799)	-
(Increase) in due from other governments	(19,272)	-
(Increase) in inventories	(55,783)	-
Increase in accounts payable	18,285	23,397
Increase in insurance claims payable	-	59,897
Increase (decrease) in salaries and benefits payable	6,928	(10,707)
Increase in unearned revenue	1,564	-
Net cash provided (used) by operating activities	\$ (372,450)	817,147

JOHNSTON COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2008

Business Type Activities	Governmental Activities
Non-major Enterprise Funds	Internal Service Fund

Continued from previous page

**Reconciliation of cash and cash equivalents at year end to
specific assets included on Combined Balance Sheet:**

Current assets:

Cash and investments	\$ 1,825,675	2,991,370
Cash and cash equivalents at year end	<u>\$ 1,825,675</u>	<u>2,991,370</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2008, the District received federal commodities valued at \$132,677 and the School Nutrition Fund received \$107,304 of contributed capital assets through governmental funds.

See notes to basic financial statements.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

(1) **Summary of Significant Accounting Policies**

The Johnston Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the city of Johnston, Iowa; portions of Johnston, Des Moines, Granger and Grimes, Iowa; and other unincorporated areas of Polk County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Johnston Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. Johnston Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Polk County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

- (1) *Summary of Significant Accounting Policies (continued from previous page)*
B. *Basis of Presentation (continued from previous page)*

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other non-major governmental funds.

Fund accounting - The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues and expenditures or expenses, as appropriate. The District has the following funds:

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund: The General Fund accounts for all sources used to finance District operation and maintenance, except those required to be accounted for in another fund.

Debt Service Fund: The Debt Service Fund is utilized to account for the payment of interest and principal on the District's general long-term debt.

Capital Projects Fund: The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The other governmental funds of the District are considered non-major and are as follows:

Special Revenue Funds: The Special Revenue Funds account for the revenue sources that are legally restricted to expenditures for specific purposes. These funds consist of the following:

Student Activity Funds: This fund accounts for transactions that occur due to student-related activities from groups and organizations such as athletic and activity events, fundraising and other extra-curricular or co-curricular activities.

Management Fund: This fund is authorized by Iowa Code Section 298.4 and accounts for transactions related to unemployment, early retirement, judgments and settlements and the cost of liability insurance as it relates to property and casualty.

Physical Plant and Equipment Levy (PPEL) Fund: This fund is authorized by Iowa Code 298.2 and accounts for transactions related to the improvement of facilities and grounds, construction of school houses, certain equipment expenditures and other expenditures authorized in Iowa Code 298.3.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

- (1) *Summary of Significant Accounting Policies (continued from previous page)*
B. *Basis of Presentation (continued from previous page)*
Fund accounting (continued from previous page)

Proprietary Fund Types: Proprietary fund types are used to account for the District's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows. The following are the District's proprietary funds:

Enterprise Funds: Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the District has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements.

The following enterprise funds of the District are considered non-major:

School Nutrition Fund: This fund accounts for transactions related to the school lunch, breakfast and summer food programs authorized by Iowa Code 283A.

Child Care Fund: This fund accounts for transactions for before and after school child care and summer child care programs authorized by Iowa Code 298A.12 and 279.49.

Preschool Fund: This fund accounts for transactions for preschool programs with an instructional component for children who have not yet met the age requirement for school-aged education.

Community Education Fund: This fund accounts for transactions for facilities and services to provide further education opportunities to the local area.

Internal Service Funds: The internal service funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The District has the following internal service funds:

Self-Insurance Fund: This fund accounts for transactions for self-insured health insurances including medical, dental, prescription and vision received by District employees in which the District is responsible for paying all claims and administrative costs attributable to the insurances listed above.

Flexible Benefits: This fund accounts for transactions for certain benefits available to District employees in which the District is responsible for paying all premiums or costs specified by the employee.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

(1) *Summary of Significant Accounting Policies (continued from previous page)*

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary fund of the District applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

(1) *Summary of Significant Accounting Policies (continued from previous page)*

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents – The District maintains a cash and investment pool used by all funds. The cash and investment pool has the same characteristics as demand deposits. Each fund type's portion of this pool is displayed in the financial statements as cash and cash equivalents in that fund. The District utilizes a financial institution to service bonded debt as principal and interest payments come due. The monies are either maintained in a central bank account or used to purchase legal investments.

It is the policy of the District to value investment contracts and money market investments with a maturity of one year or less at the time of purchase at cost or amortized cost. Investment contracts and money market investments that had a remaining maturity of greater than one year at the time of purchase are reported at fair value.

The District has invested funds in the Iowa Schools Joint Investment Trust (ISJIT). ISJIT is an investment pool managed by the trustee, Bankers Trust, which allows governments within the State to pool their funds for investment purposes. ISJIT is registered with the SEC as an investment company and operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments in ISJIT are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Property Tax Receivable – Property tax in the governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the Government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2006 assessed property valuations; is for the tax accrual period July 1, 2007 through June 30, 2008 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2007.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

(1) *Summary of Significant Accounting Policies (continued from previous page)*
Capital Assets (continued from previous page)

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 3,500
Buildings	3,500
Improvements other than buildings	3,500
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	3,500

Capital assets (with the exception of land, which is not depreciated) are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50 years
Improvements other than buildings	20-50 years
Furniture and equipment	5-15 years

Interfund Activity - Transfers between governmental and business type activities on the government-wide statements are reported in the same manner as general revenues. Sales of goods and services between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred and Unearned Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of the succeeding year's property tax receivable.

Unearned revenue on the Statement of Net Assets consists of the succeeding year's property tax receivable that will not be recognized as revenue until the year for which it is levied and unearned grant proceeds.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

(1) *Summary of Significant Accounting Policies (continued from previous page)*

D. Assets, Liabilities and Fund Equity (continued from previous page)

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2008. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund. The liability for compensated absences resulted in no change for the year ending June 30, 2008.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts not available for appropriation or legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgets and Budgetary Accounting

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules - Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. During the year ended June 30, 2008, expenditures exceeded the amounts budgeted in the support services functional area.

(2) **Cash and Pooled Investments**

The District's deposits in banks at June 30, 2008 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2008, the District had investments in the following:

Iowa Schools Joint Investment Trust:	
Flex CD	\$ 5,959,579
Diversified Portfolio	12,846,145
IPASeducation Program:	
Flex CD	2,414,574
Institutional Money Market	8,402,802
Banker's Trust Money Market	3,442,481
	<u>\$ 33,065,581</u>

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

(2) Cash and Pooled Investments (continued from previous page)

The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk. As a means of limiting exposure to fair value losses arising from rising interest rates, the District's investment policy requires operating funds to be invested in investments that mature within three hundred and ninety-seven days or less. When investing other than operating funds, the investments must mature according to the needs of the funds. Operating funds of the District are funds which are reasonably expected to be used during a current budget year or within fifteen months of receipt.

Credit risk. The investments in the Iowa Schools Joint Investment Trust and the IPASeducation program were both rated Aaa by Moody's Investors Service. The fair value of the District's position in these programs is the same as the value of the program shares. The investments in Banker's Trust are primarily invested in U.S. Treasury securities. The District is authorized by statute to invest public funds not currently needed for operating expenses in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education and the Treasurer of the State of Iowa, and certain joint investment trusts. The District may also invest in commercial paper or other short-term corporate debt that matures with two hundred seventy days that is rated in the highest classification, as established by at least one of the standard rating services approved by the superintendent of banking by rules adopted pursuant to Chapter 17A, provided that at the time of purchase no more than five percent of the investment portfolio shall be invested in the securities of a single issuer.

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2008 is as follows:

Transfer to	Transfer from	Amount
Capital Projects Fund	Special Revenue Fund - Physical Plant and Equipment Levy	\$ 450,831
Debt Service Fund	Special Revenue Fund - Physical Plant and Equipment Levy	740,990
Debt Service Fund	Capital Projects Fund	4,205,684
		<u>\$ 5,397,505</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008**(4) Capital Assets**

Capital assets activity for the year ended June 30, 2008 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,655,021	-	-	2,655,021
Construction in progress	21,203,336	8,230,846	20,952,208	8,481,974
Total capital assets not being depreciated	23,858,357	8,230,846	20,952,208	11,136,995
Capital assets being depreciated:				
Buildings	74,444,925	20,163,459	-	94,608,384
Improvements other than buildings	3,394,146	950,489	-	4,344,635
Furniture and equipment	4,764,324	499,909	-	5,264,233
Total capital assets being depreciated	82,603,395	21,613,857	-	104,217,252
Less accumulated depreciation for:				
Buildings	19,997,210	1,894,584	-	21,891,794
Improvements other than buildings	1,594,965	151,867	-	1,746,832
Furniture and equipment	3,515,669	339,872	-	3,855,541
Total accumulated depreciation	25,107,844	2,386,323	-	27,494,167
Total capital assets being depreciated, net	57,495,551	19,227,534	-	76,723,085
Governmental activities capital assets, net	\$ 81,353,908	27,458,380	20,952,208	87,860,080
Business type activities:				
Furniture and equipment	\$ 1,662,553	132,320	-	1,794,873
Less accumulated depreciation	797,374	137,188	-	934,562
Business-type activities capital assets, net	\$ 865,179	(4,868)	-	860,311

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular

\$ 2,113,791

Other

1,230

Support services:

Instructional staff services

21,925

Administration

57,118

Operation and maintenance of plant

44,563

Transportation

147,696

2,386,323

Unallocated

-

Total depreciation expense - governmental activities

\$ 2,386,323

Business type activities:

Food services

\$ 127,011

Community Daycare

6,291

Community Preschool

293

Community Education

3,593

\$ 137,188

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008**(5) Long-Term Liabilities**

Changes in long-term liabilities for the year ended June 30, 2008 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
General obligation bonds	\$ 40,055,000	10,000,000	2,365,000	47,690,000	2,455,000
Revenue bonds	7,250,000	-	2,365,000	4,885,000	2,415,000
Capital loan notes	4,065,000	-	635,000	3,430,000	650,000
Early retirement	1,486,975	-	313,742	1,173,233	268,885
	<u>\$ 52,856,975</u>	<u>10,000,000</u>	<u>5,678,742</u>	<u>57,178,233</u>	<u>5,788,885</u>

General Obligation Bonds Payable

Details of the District's June 30, 2008 general obligation bonded indebtedness are as follows:

Refunding Bond Issue of April 1, 2003				
Year ended June 30,	Rates	Principal	Interest	Total
2009	2.50%	\$ 805,000	94,515	899,515
2010	2.80%	790,000	74,390	864,390
2011	3.00%	825,000	52,270	877,270
2012	3.20%	860,000	27,520	887,520
Subtotal		<u>3,280,000</u>	<u>248,695</u>	<u>3,528,695</u>
Bond Issue of February 1, 2006				
Year ended June 30,	Rates	Principal	Interest	Total
2009	3.750%	\$ 100,000	1,092,269	1,192,269
2010	3.750%	100,000	1,088,519	1,188,519
2011	3.750%	915,000	1,084,768	1,999,768
2012	3.750%	970,000	1,050,456	2,020,456
2013	4.000%	1,585,000	1,014,082	2,599,082
2014	5.000%	1,700,000	950,681	2,650,681
2015	4.500%	1,815,000	865,681	2,680,681
2016	4.000%	3,190,000	784,006	3,974,006
2017	4.000%	3,700,000	656,406	4,356,406
2018	4.100%	3,875,000	508,406	4,383,406
2019	4.250%	4,075,000	349,531	4,424,531
2020	4.125%	4,275,000	176,344	4,451,344
Subtotal		<u>26,300,000</u>	<u>9,621,149</u>	<u>35,921,149</u>

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008(5) *Long-Term Liabilities (continued from previous page)*
General Obligation Bonds Payable (continued from previous page)

Bond Issue of May 1, 2006				
Year ended June 30,	Rates	Principal	Interest	Total
2009	4.0%	\$ 935,000	346,400	1,281,400
2010	4.0%	1,005,000	309,000	1,314,000
2011	4.0%	1,040,000	268,800	1,308,800
2012	4.0%	1,065,000	227,200	1,292,200
2013	4.0%	1,430,000	184,600	1,614,600
2014	4.0%	1,450,000	127,400	1,577,400
2015	4.0%	1,480,000	69,400	1,549,400
2016	4.0%	255,000	10,200	265,200
Subtotal		8,660,000	1,543,000	10,203,000

Bond Issue of August 1, 2007				
Year ended June 30,	Rates	Principal	Interest	Total
2009	4.000%	\$ 615,000	391,962	1,006,962
2010	3.750%	645,000	366,132	1,011,132
2011	3.750%	685,000	338,720	1,023,720
2012	3.750%	705,000	309,608	1,014,608
2013	3.750%	735,000	279,646	1,014,646
2014	4.000%	765,000	248,408	1,013,408
2015	5.000%	800,000	215,896	1,015,896
2016	4.500%	825,000	181,896	1,006,896
2017	4.000%	860,000	148,896	1,008,896
2018	4.000%	900,000	114,496	1,014,496
2019	4.100%	940,000	78,046	1,018,046
2020	4.250%	975,000	38,976	1,013,976
Subtotal		9,450,000	2,712,682	12,162,682

Totals			
Year ended June 30,	Principal	Interest	Total
2009	\$ 2,455,000	1,925,146	4,380,146
2010	2,540,000	1,838,041	4,378,041
2011	3,465,000	1,744,558	5,209,558
2012	3,600,000	1,614,784	5,214,784
2013	3,750,000	1,478,328	5,228,328
2014	3,915,000	1,326,489	5,241,489
2015	4,095,000	1,150,977	5,245,977
2016	4,270,000	976,102	5,246,102
2017	4,560,000	805,302	5,365,302
2018	4,775,000	622,902	5,397,902
2019	5,015,000	427,577	5,442,577
2020	5,250,000	215,320	5,465,320
Total	\$ 47,690,000	14,125,526	61,815,526

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

(5) *Long-Term Liabilities (continued from previous page)*

Revenue Bonds Payable

Details of the District's June 30, 2008 local option sales and service tax revenue bonded indebtedness are as follows:

Revenue Bond Issue of April 1, 2005				
Year ended June 30,	Rates	Principal	Interest	Total
2009	3.06%	\$ 2,415,000	112,532	2,527,532
2010	3.06%	2,470,000	37,791	2,507,791
Total		\$ 4,885,000	150,323	5,035,323

The District has pledged future local option sales and services tax revenues for the purpose of defraying a portion of the cost of school infrastructure. The bonds are payable solely from the proceeds of the local option sales and services tax revenues received by the District. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. The total principal and interest remaining to be paid on the notes is \$5,035,323. For the current year, principal and interest paid on the bonds was \$2,550,666 and total local option sales and services tax revenues were \$5,230,332.

The resolution providing for the issuance of the local option sales and services tax revenue bonds includes the following provisions:

- a) \$950,000 of the proceeds from the issuance of the revenue bonds shall be deposited to the Reserve Account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the Sinking Account. The balance of the proceeds shall be deposited to the Project Account.
- b) All proceeds from the local option sales and services tax shall be placed in a Revenue Account.
- c) Monies in the Revenue Account shall be disbursed to make deposits into a Sinking Account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the Revenue Account after the required transfer to the Sinking Account may be transferred to the Project Account to be used for any lawful purpose.

The District complied with all of the provisions during the year ended June 30, 2008.

Capital Loan Notes Payable

Details of the District's June 30, 2008 capital loan note indebtedness is as follows:

Capital Loan Note of June 1, 2003				
Year ended June 30,	Rates	Principal	Interest	Total
2009	2.250%	\$ 650,000	91,302	741,302
2010	2.750%	660,000	76,678	736,678
2011	2.650%	685,000	58,527	743,527
2012	2.750%	705,000	40,375	745,375
2013	2.875%	730,000	20,988	750,988
Total		\$ 3,430,000	287,870	3,717,870

At the school election held on September 10, 2002, a special proposition authorizing the levy of tax not exceeding one dollar and thirty-four cents per one hundred thousand dollars of assessed value was adopted and approved by the electors. In order to make the proceeds of this voted tax immediately available, the Board of Directors, pursuant to Iowa Code section 297.36, authorized the sale of \$6,500,000 of capital loan notes.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

(5) *Long-Term Liabilities (continued from previous page)*

Early Retirement

This long-term liability is generally liquidated with funds from the Non-major Special Revenue Fund – Management Levy.

(6) **Pension and Retirement Benefits**

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.90% of their annual covered salary and the District is required to contribute 6.05% of annual covered payroll for the year ended June 30, 2008. Plan members were required to contribute 3.70% of their annual salary and the District was required to contribute 5.75% of annual covered payroll for the years ended June 30, 2007 and 2006. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2008, 2007 and 2006 were \$1,886,008, \$1,589,139, and \$1,457,854, respectively, equal to the required contributions for each year.

(7) **Termination Benefits**

The District offers a voluntary early retirement plan to its employees. Eligible employees must have completed at least ten years of full-time service to the District and must have reached the age of fifty-five on or before June 30 in the calendar year in which early retirement commences. The application for early retirement is subject to approval by the Board of Education.

Early retirement benefits are equal to 30% of the average of the employee's highest three year's contractual salary in the twelve years prior to retirement.

Early retirement cash benefit amounts are placed in an "Employer Sponsored Special Pay Deferral Plan (403(b))" in the July immediately following retirement. The early retirement medical insurance portion is paid out based upon the single rate of medical insurance in effect during the first year of the employee's retirement and continues at this level through age 65.

At June 30, 2008, the District had obligations to sixty-three (63) participants with a total liability of \$1,173,233. Actual early retirement expenditures for the year ended June 30, 2008 totaled \$313,742.

(8) **Risk Management**

Johnston Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. During the year ended June 30, 2008, there were no significant reductions in coverage. In addition, over the past three fiscal years, settlement amounts did not exceed insurance coverage.

In addition to the above, the District operates a partially self-funded insurance program administered by a third party administrator for its employees' and eligible dependents' medical benefits. The program is supplemented by stop loss protection, which limits the District's liability to \$50,000 per individual medical claim or an aggregate limit of 125% during the period July 1, 2005 through June 30, 2008.

JOHNSTON COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

(8) Risk Management (continued from previous page)

The District operates a totally self-funded insurance program administered by a third party administrator for its employees' and eligible dependents' dental benefits. The program liability is limited to \$1,000 per individual per year.

Both plans receive an annual actuarial opinion and an annual report is filed with the State of Iowa Insurance Division. The insurance claims liability of \$528,132 reported at June 30, 2008 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Changes in the fund's claims liability amount for the year ended June 30, 2008 follows:

Year ending June 30,	Liability July 1	Current Claims and Changes in Estimates	Claim Payments	Liability June 30
2008	\$ 528,132	4,993,282	4,933,385	588,029

The District operates a Section 125/Flex Plan whereby employee contributions are made through payroll deduction and eligible expenses are reimbursed on a weekly basis.

The above plans are reported in the Internal Services Fund.

(9) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$1,771,545 for the year ended June 30, 2008 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

(10) Construction Commitment

The District has entered into several contracts totaling \$10,318,422 for the construction of a new school and remodeling projects. As of June 30, 2008, costs of \$8,481,974 had been incurred against the contract. The balance of \$1,836,448 remaining at June 30, 2008 will be paid as work on the project progresses.

Project	Contract Amount	Costs through June 30, 2008
High school remodel	\$ 9,602,722	8,128,968
High school ballfield	350,000	344,694
ARC vestibule	50,000	1,986
Middle school gym floor	15,700	1,829
High school gym floor	300,000	4,497
	<u>\$ 10,318,422</u>	<u>8,481,974</u>

Required Supplementary Information

JOHNSTON COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS
AND PROPRIETARY FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
Year ended June 30, 2008

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual
Revenues:			
Local sources	\$ 37,246,703	4,656,231	41,902,934
Intermediate sources	85,004		85,004
State sources	23,887,916	137,001	24,024,917
Federal sources	608,405	499,481	1,107,886
Total revenues	61,828,028	5,292,713	67,120,741
Expenditures:			
Instruction	32,774,056	-	32,774,056
Support services	15,805,154	-	15,805,154
Noninstructional programs	133,944	5,163,846	5,297,790
Other expenditures	19,126,663	-	19,126,663
Total expenditures	67,839,817	5,163,846	73,003,663
Excess (deficiency) of revenues over (under) expenditures	(6,011,789)	128,867	(5,882,922)
Other financing sources, net	10,069,432	107,304	10,176,736
Excess (deficiency) of revenues and other financing sources over (under) expenditures/ expenses	4,057,643	236,171	4,293,814
Balances beginning of year	21,213,101	2,338,675	23,551,776
Balances end of year	\$ 25,270,744	2,574,846	27,845,590

See accompanying independent auditor's report.

<u>Budgeted Amounts</u>	<u>Final to Actual</u>
<u>Original and Final</u>	<u>Variance- Positive (Negative)</u>
39,913,754	1,989,180
-	85,004
23,348,455	676,462
1,147,370	(39,484)
64,409,579	2,711,162
35,785,544	3,011,488
15,778,923	(26,231)
7,531,772	2,233,982
35,395,581	16,268,918
94,491,820	21,488,157
(30,082,241)	24,199,319
10,000,000	176,736
(20,082,241)	24,376,055
20,082,241	3,469,535
-	27,845,590

JOHNSTON COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING
Year ended June 30, 2008

(1) Basis of Presentation

The District operates within the budget requirements for school districts as specified by state law and as prescribed by the Iowa Department of Management. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

For the fiscal year beginning July 1, a proposed budget is adopted by the Board and filed with the County Auditor no later than April 15. The budget is certified by the County Auditor to the Department of Management.

Once adopted, the budget can be amended by the Board. The amendment must be published and a public hearing conducted prior to the amendment. Any amendments must be certified to the County Auditor no later than May 31. The proposed expenditure budget is advertised in the local newspaper, together with a notice of public hearing.

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the functional area for a budgeted governmental, enterprise and private purpose trust funds in total, rather than by individual fund type. Formal and legal budgetary control is based on four major classes of expenditures known as functional areas. These four functional areas are instruction, support services, non-instructional programs and other expenditures. During the year ended June 30, 2008, the District over-expended the support services functional area by \$26,231. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. Authorized expenditures cannot exceed the lesser of the certified budget plus any allowable amendments, or the authorized budget, which is the sum of the District's cost for that year plus the actual miscellaneous income received for that year plus the actual unspent balance from the preceding year. Appropriations, as adopted and amended, lapse at the end of the fiscal year.

The District is required by the Code of Iowa to budget for its share of media, education services and special education support provided through the local area education agency. The District's actual amount for this purpose totaled \$1,771,545 for the year ended June 30, 2008.

Other Supplementary Information

JOHNSTON COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2008

	Management	Student Activity	Physical Plant and Equipment Levy	Total
Assets				
Current Assets:				
Cash and pooled investments	\$ 1,254,382	383,175	3,115,221	4,752,778
Receivables:				
Property tax:				
Current year delinquent	11,562	-	26,757	38,319
Succeeding year	1,138,003	-	2,646,313	3,784,316
Accounts	80	35,794	-	35,874
Total assets	\$ 2,404,027	418,969	5,788,291	8,611,287
Liabilities and Fund Balances				
Current Liabilities:				
Accounts payable	\$ 39,921	54,590	18,887	113,398
Salaries and benefits payable	17,253	-	-	17,253
Early retirement payable	268,885	-	-	268,885
Deferred revenue:				
Succeeding year property tax	1,138,003	-	2,646,313	3,784,316
Total liabilities	<u>1,464,062</u>	<u>54,590</u>	<u>2,665,200</u>	<u>4,183,852</u>
Fund balances:				
Unreserved	939,965	364,379	3,123,091	4,427,435
Total liabilities and fund balances	\$ 2,404,027	418,969	5,788,291	8,611,287

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 Year ended June 30, 2008

	Management	Student Activity	Physical Plant and Equipment Levy	Total
Revenues:				
Local sources:				
Local tax:				
Property tax	\$ 1,055,772	-	2,417,807	3,473,579
Utility tax replacement excise tax	30,034	-	65,409	95,443
Mobile home tax	969	-	2,620	3,589
	<u>1,086,775</u>	<u>-</u>	<u>2,485,836</u>	<u>3,572,611</u>
Other local sources:				
Interest on investments	32,250	-	127,138	159,388
Student activities	-	495,632	-	495,632
Donations	-	50,732	-	50,732
Other local revenue	33,679	80,388	5,577	119,644
	<u>65,929</u>	<u>626,752</u>	<u>132,715</u>	<u>825,396</u>
	<u>1,152,704</u>	<u>626,752</u>	<u>2,618,551</u>	<u>4,398,007</u>
State sources:				
Revenue in lieu of taxes :				
Military credit	297	-	648	945
Federal sources:				
Revenue in lieu of taxes :				
Flood control	-	-	138	138
Total revenues	<u>1,153,001</u>	<u>626,752</u>	<u>2,619,337</u>	<u>4,399,090</u>
Expenditures:				
Current:				
Instruction:				
Regular instruction:				
Benefits	297,288	-	-	297,288
Co-curricular instruction:				
Purchased services	-	143,712	-	143,712
Supplies	-	425,545	-	425,545
Property	-	35,485	-	35,485
Other	-	21,812	-	21,812
	<u>-</u>	<u>626,554</u>	<u>-</u>	<u>626,554</u>
Total instruction	<u>297,288</u>	<u>626,554</u>	<u>-</u>	<u>923,842</u>

JOHNSTON COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 Year ended June 30, 2008

	Management	Student Activity	Physical Plant and Equipment Levy	Total
<i>Continued from previous page</i>				
Expenditures:				
Current:				
Support Services:				
Student support:				
Benefits	21,638	-	-	21,638
Instructional Staff Services:				
Property	-	-	286,759	286,759
Administration:				
Benefits	40,394	-	-	40,394
Purchased services	8,123	-	1,384	9,507
Supplies	-	-	30,260	30,260
Property	-	-	161,312	161,312
	48,517	-	192,956	241,473
Plant operation and maintenance:				
Benefits	19,629	-	-	19,629
Purchased services	176,424	-	-	176,424
Property	-	-	99,788	99,788
	196,053	-	99,788	295,841
Student transportation:				
Benefits	27,133	-	-	27,133
Purchased services	29,761	-	-	29,761
Property	-	-	8,861	8,861
	56,894	-	8,861	65,755
Total support services	323,102	-	588,364	911,466
Non-instructional Programs:				
Food services				
Benefits	22,305	-	-	22,305
Community service & education:				
Benefits	196	-	-	196
Total non-instructional programs	22,501	-	-	22,501

JOHNSTON COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 Year ended June 30, 2008

	Management	Student Activity	Physical Plant and Equipment Levy	Total
<i>Continued from previous page</i>				
Expenditures:				
Capital outlay:				
Other expenditures:				
Facilities acquisition:				
Purchased services	-	-	256,294	256,294
Supplies	-	-	59,244	59,244
Property	-	-	99,068	99,068
Other	-	-	1,757	1,757
	-	-	416,363	416,363
Total expenditures	642,891	626,554	1,004,727	2,274,172
Excess of revenues over expenditures	510,110	198	1,614,610	2,124,918
Other financing uses:				
Operating transfers out	-	-	(1,191,821)	(1,191,821)
Total other financing uses	-	-	(1,191,821)	(1,191,821)
Excess of revenues over expenditures expenditures and other financing uses	510,110	198	422,789	933,097
Fund balances beginning of year	429,855	364,181	2,700,302	3,494,338
Fund balances end of year	\$ 939,965	364,379	3,123,091	4,427,435

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2008

	Business Type Activities				
	Enterprise Funds				
	Community Education	Community Daycare	Community Preschool	School Nutrition	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 164,412	696,946	60,532	903,785	1,825,675
Receivables:					
Accounts	15,286	-	3,139	-	18,425
Due from other governments	-	-	21,022	-	21,022
Inventories	-	-	-	68,200	68,200
Total current assets	179,698	696,946	84,693	971,985	1,933,322
Non-current assets:					
Property and equipment:					
Machinery and equipment	31,976	91,489	1,467	1,669,941	1,794,873
Accumulated depreciation	(18,438)	(65,205)	(586)	(850,333)	(934,562)
Total non-current assets	13,538	26,284	881	819,608	860,311
Total assets	193,236	723,230	85,574	1,791,593	2,793,633
Liabilities					
Current liabilities:					
Accounts payable	9,952	32,962	7,393	7,448	57,755
Insurance claims liability	-	-	-	-	-
Accrued salaries and benefits payable	2,421	8,114	1,984	87,066	99,585
Unearned revenues	-	-	-	61,447	61,447
Total current liabilities	12,373	41,076	9,377	155,961	218,787
Net Assets					
Invested in capital assets	13,538	26,284	881	819,608	860,311
Unrestricted	167,325	655,870	75,316	816,024	1,714,535
Total net assets	\$ 180,863	682,154	76,197	1,635,632	2,574,846

See accompanying independent auditor's report.

Schedule 3

Governmental Activities		
Internal Service Funds		
Self-funded Insurance	Flexible Benefits	Total
2,913,085	78,285	2,991,370
-	-	-
-	-	-
-	-	-
2,913,085	78,285	2,991,370
-	-	-
-	-	-
-	-	-
2,913,085	78,285	2,991,370
356,976	3,053	360,029
588,029	-	588,029
-	-	-
-	-	-
945,005	3,053	948,058
-	-	-
1,968,080	75,232	2,043,312
1,968,080	75,232	2,043,312

Schedule 4

JOHNSTON COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 Year ended June 30, 2008

	Business Type Activities				
	Enterprise Funds				Total
	Community Education	Community Daycare	Community Preschool	School Nutrition	
Operating revenues:					
Local sources:					
Other local sources:					
Food service sales	\$ -	-	-	1,867,111	1,867,111
Daycare service fees	-	1,871,711	-	-	1,871,711
Community education fees	399,903	-	333,760	-	733,663
Charges for services	-	-	-	-	-
Other operating income	79,354	-	13,339	10,430	103,123
Total operating revenues	479,257	1,871,711	347,099	1,877,541	4,575,608
Operating expenses:					
Instructional programs:					
Support Services:					
Personnel services:					
Benefits	-	-	-	-	-
Purchased services	-	-	-	-	-
Non-instructional programs:					
Food services operations:					
Salaries	-	-	-	736,487	736,487
Benefits	-	-	-	235,696	235,696
Services	-	-	-	110,216	110,216
Supplies	-	-	-	1,192,304	1,192,304
Other	-	-	-	1,499	1,499
Depreciation	-	-	-	127,011	127,011
	-	-	-	2,403,213	2,403,213
Community service operations:					
Salaries	297,577	1,198,669	261,749	-	1,757,995
Benefits	58,959	226,125	70,503	-	355,587
Services	63,266	66,382	43,696	-	173,344
Supplies	85,082	174,256	35,922	-	295,260
Other	650	166,158	1,462	-	168,270
Depreciation	3,593	6,291	293	-	10,177
	509,127	1,837,881	413,625	-	2,760,633
Total operating expenses	509,127	1,837,881	413,625	2,403,213	5,163,846
Operating income (loss)	(29,870)	33,830	(66,526)	(525,672)	(588,238)

Schedule 4

Governmental Activities		
Internal Service Funds		
Self-funded Insurance	Flexible Benefits	Total
-	-	-
-	-	-
-	-	-
5,674,386	344,833	6,019,219
-	-	-
5,674,386	344,833	6,019,219

4,956,145	281,377	5,237,522
37,137	-	37,137
4,993,282	281,377	5,274,659

-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
4,993,282	281,377	5,274,659
681,104	63,456	744,560

JOHNSTON COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 Year ended June 30, 2008

Continued from previous page

Non-operating revenues:					
State grants	-	-	112,748	-	112,748
State lunch and breakfast program claims	-	-	-	24,253	24,253
National School Lunch Program	-	-	-	325,970	325,970
School Breakfast Program	-	-	-	36,834	36,834
Team Nutrition Program	-	-	-	4,000	4,000
Federal food commodities revenue				132,677	132,677
Contributions	9,530	4,570	4,290	-	18,390
Interest income	4,434	23,530	1,059	33,210	62,233
Total non-operating revenues	13,964	28,100	118,097	556,944	717,105
Net income (loss) before capital contributions	(15,906)	61,930	51,571	31,272	128,867
Capital Contributions	-	-	-	107,304	107,304
Changes in net assets	(15,906)	61,930	51,571	138,576	236,171
Net assets beginning of year	196,769	620,224	24,626	1,497,056	2,338,675
Net assets end of year	\$ 180,863	682,154	76,197	1,635,632	2,574,846

See accompanying independent auditor's report.

Schedule 4

Governmental Activities		
Internal Service Funds		
Self-funded Insurance	Flexible Benefits	Total
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
681,104	63,456	744,560
-	-	-
681,104	63,456	744,560
1,286,976	11,776	1,298,752
1,968,080	75,232	2,043,312

JOHNSTON COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2008

	Business Type Activities				
	Community Education	Community Daycare	Community Preschool	School Nutrition	Total
Cash flows from operating activities:					
Cash received from sale of lunches and breakfasts	\$ -	-	-	1,879,105	1,879,105
Cash received from community services	471,112	1,878,723	323,161	-	2,672,996
Cash payments to employees for services	(361,330)	(1,425,700)	(330,448)	(961,359)	(3,078,837)
Cash payments to suppliers for goods or services	(143,218)	(393,286)	(86,549)	(1,222,661)	(1,845,714)
Net cash provided (used) by operating activities	(33,436)	59,737	(93,836)	(304,915)	(372,450)
Cash flows from non-capital financing activities:					
Operating contributions	9,530	4,570	4,290	-	18,390
State grants received	-	-	112,748	24,253	137,001
Federal grants received	-	-	-	366,804	366,804
Net cash provided by non-capital financing activities	9,530	4,570	117,038	391,057	522,195
Cash flows from capital and related financing activities:					
Capital contributions	-	-	-	107,304	107,304
Acquisition of capital assets	(686)	(9,490)	-	(122,144)	(132,320)
Net cash used by capital and related financing activities	(686)	(9,490)	-	(14,840)	(25,016)
Cash flows from investing activities:					
Interest on investments	4,434	23,530	1,059	33,210	62,233
Net increase in cash and cash equivalents	(20,158)	78,347	24,261	104,512	186,962
Cash and cash equivalents at beginning of year	184,570	618,599	36,271	799,273	1,638,713
Cash and cash equivalents at end of year	\$ 164,412	696,946	60,532	903,785	1,825,675
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (29,870)	33,830	(66,526)	(525,672)	(588,238)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Commodities used	-	-	-	132,677	132,677
Depreciation	3,593	6,291	293	127,011	137,188
(Increase) decrease in accounts receivable	(9,895)	7,012	(2,916)	-	(5,799)
(Increase) decrease in due from other governments	1,750	-	(21,022)	-	(19,272)
(Increase) in inventories	-	-	-	(55,783)	(55,783)
Increase (decrease) in accounts payable	5,780	13,510	(5,469)	4,464	18,285
Increase in insurance claims liability	-	-	-	-	-
Increase (decrease) in salaries and benefits payable	(4,794)	(906)	1,804	10,824	6,928
Increase in unearned revenue	-	-	-	1,564	1,564
Net cash provided (used) by operating activities	\$ (33,436)	59,737	(93,836)	(304,915)	(372,450)

Schedule 5

Governmental Activities		
Self-funded Insurance	Flexible Benefits	Total
-	-	-
5,674,386	344,833	6,019,219
(4,875,904)	(289,031)	(5,164,935)
(37,137)	-	(37,137)
761,345	55,802	817,147
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
761,345	55,802	817,147
2,151,740	22,483	2,174,223
2,913,085	78,285	2,991,370
681,104	63,456	744,560
-	-	-
-	-	-
-	-	-
-	-	-
20,344	3,053	23,397
59,897	-	59,897
-	(10,707)	(10,707)
-	-	-
761,345	55,802	817,147

JOHNSTON COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF CASH FLOWS
 PROPRIETARY FUNDS
 Year ended June 30, 2008

Continued from previous page

**Reconciliation of cash and cash equivalents at year end to
 specific assets included on Combined Balance Sheet:**

Current assets:

	Business Type Activities				
	Community Education	Community Daycare	Community Preschool	School Nutrition	Total
Cash and investments	\$ 164,412	696,946	60,532	903,785	1,825,675
Cash and cash equivalents at year end	\$ 164,412	696,946	60,532	903,785	1,825,675

Non-cash investing, capital and financing activities:

During the year ended June 30, 2008, the District received federal commodities valued at \$132,677 and the School Nutrition Fund received \$107,304 of contributed capital assets through governmental funds.

See accompanying independent auditor's report.

Schedule 5

Governmental Activities		
Self-funded	Flexible	
Insurance	Benefits	Total
2,913,085	78,285	2,991,370
2,913,085	78,285	2,991,370

JOHNSTON COMMUNITY SCHOOL DISTRICT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
June 30, 2008

Governmental funds capital assets

Land and improvements	\$ 6,999,656
Buildings and improvements	94,608,384
Vehicles, furniture and equipment	5,264,233
Construction in progress	<u>8,481,974</u>

Total governmental funds capital assets	<u><u>\$ 115,354,247</u></u>
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Investments in governmental funds capital assets by source

General Fund	\$ 4,753,734
Special Revenue Funds	5,383,465
Capital Projects Funds	<u>105,217,048</u>

Total governmental funds capital assets	<u><u>\$ 115,354,247</u></u>
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See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
June 30, 2008

Function and Activity	Land and Improvements	Buildings and Improvements	Vehicles, Furniture and Equipment	Construction in Progress	Total
Instruction	\$ 6,081,574	93,256,717	1,880,394	8,481,974	109,700,659
Other instruction	371,476	61,506	-	-	432,982
Support services - students	-	-	14,514	-	14,514
Support services - instructional staff	-	-	148,860	-	148,860
Administration	223,860	1,061,714	442,449	-	1,728,023
Operation and maintenance of plant services	71,519	228,447	370,256	-	670,222
Student transportation services	251,227	-	2,407,760	-	2,658,987
Total	<u>\$ 6,999,656</u>	<u>94,608,384</u>	<u>5,264,233</u>	<u>8,481,974</u>	<u>115,354,247</u>

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
Year ended June 30, 2008

Function and Activity	July 1, 2007	Additions	Deletions	June 30, 2008
Instruction	\$ 100,877,688	8,822,971	-	109,700,659
Other instruction	432,982	-	-	432,982
Support services - students	14,514	-	-	14,514
Support services - instructional staff	99,117	49,743	-	148,860
Administration	1,726,599	1,424	-	1,728,023
Operation and maintenance of plant services	536,650	133,572	-	670,222
Student transportation services	2,774,202	-	115,215	2,658,987
Total	<u>\$ 106,461,752</u>	<u>9,007,710</u>	<u>115,215</u>	<u>115,354,247</u>

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN INDIVIDUAL STUDENT ACTIVITY ACCOUNTS

Year ended June 30, 2008

Account	Balance Beginning of Year	Revenues	Expendi- tures	Intrafund Transfers	Balance End of Year
Elementary Schools:					
Lawson Elementary	\$ 2,404	-	-	-	2,404
Wallace Elementary	2,401	-	-	-	2,401
Beaver Creek Elementary:	2,500	-	-	-	2,500
Horizon Elementary:					
Community assistance	(255)	-	-	255	-
Student activity	1,687	-	-	(255)	1,432
Summit Middle School:					
Student Council	2,835	6,677	6,909	-	2,603
Yearbook	17,816	18,706	4,407	-	32,115
Vocal Music	4,631	-	762	-	3,869
Instrumental Music	4,251	8,950	8,195	-	5,006
Tech Club	7,869	7,868	13,237	-	2,500
Cheerleading	6,452	4,452	4,684	-	6,220
Food Assistance	1,839	-	25	-	1,814
Middle School:					
Dragon Express	574	-	-	-	574
Student Council	3,835	1,691	1,224	-	4,302
Yearbook	12,190	16,406	18,242	-	10,354
Vocal Music	3,450	35,096	29,893	-	8,653
Instrumental Music	175	3,836	2,527	-	1,484
Student Management	14,642	-	-	-	14,642
Cheerleading	131	-	-	-	131
MS Pride	154	-	-	-	154
High School:					
French Club	37	-	-	-	37
Spanish Club	5,366	-	-	-	5,366
Drama Club	2,815	677	2,221	-	1,271
Student Council	7,673	20,653	21,575	-	6,751
National Honor Society	536	1,978	2,164	-	350
Senior Class	-	16,924	17,641	717	-
Yearbook	86,246	54,954	33,065	-	108,135
Instrumental Music	1,074	-	-	-	1,074
Vocal Music	-	16,437	16,894	457	-
Academic Competition	-	1,147	1,841	959	265
Circle of Friends	1,563	684	1,261	-	986
SADD	157	-	-	-	157
Diversity Committee	959	-	-	(959)	-
Student Management	1,189	-	-	(1,174)	15
Tech Club	1,139	4,167	4,110	-	1,196
Gay Straight Alliance	-	680	477	-	203
Fencing Club	-	931	312	-	619
Athletics	165,846	403,838	434,888	-	134,796
Total	\$ 364,181	626,752	626,554	-	364,379

See accompanying independent auditor's report.

JOHNSTON COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUNDS
FOR THE LAST SEVEN YEARS

	Modified Accrual Basis						
	2008	2007	2006	2005	2004	2003	2002
Revenues:							
Local sources:							
Local tax	\$ 30,063,824	28,943,854	25,624,856	23,672,255	21,314,918	18,180,329	12,602,902
Tuition	3,860,880	3,318,397	3,153,507	3,155,907	2,894,604	2,639,991	2,580,725
Other	3,321,999	3,479,491	2,616,713	1,920,527	1,653,031	1,575,292	5,269,686
Intermediate sources	85,004	-	-	-	-	-	-
State sources	23,887,916	21,363,797	19,152,732	17,287,021	15,584,614	15,434,525	14,401,664
Federal sources	608,405	557,081	545,932	453,730	475,152	449,584	418,530
Total	\$ 61,828,028	\$ 57,662,620	51,093,740	46,489,440	41,922,319	38,279,721	35,273,507
Expenditures:							
Instruction:							
Regular instruction	\$ 22,840,146	\$ 19,978,686	18,389,994	16,682,152	14,923,600	13,619,433	12,451,952
Special instruction	7,135,533	6,694,623	5,867,984	6,196,627	5,449,798	4,021,880	4,251,401
Other instruction	2,798,377	2,841,136	2,385,744	2,186,628	2,082,883	2,531,466	1,960,933
Support services:							
Student services	1,413,042	1,289,939	1,189,547	1,123,216	1,082,857	1,177,213	1,241,772
Instructional staff services	2,679,714	2,087,999	1,985,956	1,452,473	1,309,542	2,393,225	2,694,811
Administration services	5,216,577	4,781,180	4,011,887	2,668,177	2,566,722	2,559,434	2,366,753
Operation and maintenance of plant services	4,511,428	3,903,490	3,707,823	3,596,527	3,095,173	2,548,618	2,369,529
Transportation services	1,984,393	2,103,016	1,675,469	1,846,703	1,460,984	1,342,785	1,185,349
Central support services	-	-	-	17,353	171,047	120,205	-
Non-instructional programs:							
Food services	22,305	2,855	8,203	713	646	-	-
Community services and education	111,639	121,130	142,590	5,130	2,508	-	-
Other expenditures:							
Facilities acquisition	9,739,160	16,166,714	7,242,583	4,949,087	15,198,700	2,199,651	4,602,807
Long-term debt:							
Principal	5,365,000	7,655,000	9,510,000	11,975,000	3,620,000	9,415,000	11,370,000
Interest and other charges	2,250,958	2,597,424	1,087,863	1,159,498	1,187,814	1,266,343	1,676,142
AEA support	1,771,545	1,606,455	1,408,173	1,261,795	1,176,050	1,179,686	1,104,898
Total	\$ 67,839,817	71,829,647	58,613,816	55,121,079	53,328,324	44,374,939	47,276,347

See accompanying independent auditor's report.

Johnston Community School District STATISTICAL SECTION CONTENTS

The statistical section of the Johnston Community School District's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the District's overall financial health.

<u>CONTENTS</u>	<u>PAGE</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	78-95
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	96-102
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	103-109
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	110-114
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	115-121

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented GASB 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

NET ASSETS BY COMPONENT
Last Six Fiscal Years *

Year ended June 30,	2008	2007	2006	2005	2004	2003
Governmental activities:						
Invested in capital assets, net of related debt	39,330,607	35,699,534	35,157,475	32,602,330	29,105,935	\$ 24,670,604
Restricted	13,641,285	11,831,699	5,608,504	2,190,011	2,136,870	2,261,334
Unrestricted	5,023,421	3,528,893	1,231,505	584,792	(1,547,399)	(2,293,364)
Total governmental activities net assets	57,995,313	51,060,126	41,997,484	35,377,133	29,695,406	24,638,574
Business-type activities:						
Invested in capital assets, net of related debt	860,311	865,179	629,082	680,399	401,213	\$ 463,442
Unrestricted	1,714,535	1,473,496	1,808,309	1,517,315	1,295,667	834,583
Total business-type activities net assets	2,574,846	2,338,675	2,437,391	2,197,714	1,696,880	\$ 1,298,025
Primary government:						
Invested in capital assets, net of related debt	40,190,918	36,564,713	35,786,557	33,282,729	29,507,148	\$ 25,134,046
Restricted	13,641,285	11,831,699	5,608,504	2,190,011	2,136,870	2,261,334
Unrestricted	6,737,956	5,002,389	3,039,814	2,102,107	(251,732)	(1,458,781)
Total primary government net assets	60,570,159	53,398,801	44,434,875	37,574,847	31,392,286	\$ 25,936,599

*The District began to report accrual information when it implemented GASB Statement 34 in 2003.

Source: Certified Annual Report

EXPENSES, PROGRAM REVENUES AND NET REVENUES (EXPENSES)
Last Six Fiscal Years *

Year ended June 30,	2008	2007	2006	2005	2004	2003
Expenses:						
Governmental activities:						
Instruction	\$ 34,346,658	30,666,801	28,211,145	26,518,342	23,852,166	21,456,624
Student services	1,380,591	1,301,680	1,170,265	1,124,816	1,118,710	1,180,116
Instructional staff services	2,669,388	2,062,886	1,933,485	1,439,037	1,305,551	2,417,872
Administrative services	4,929,567	4,344,754	4,048,697	2,741,465	2,869,991	2,723,030
Operating and maintenance of plant services	4,488,374	3,896,886	3,717,675	3,640,341	3,083,216	2,548,817
Transportation services	2,097,710	2,048,069	1,759,129	1,724,913	1,480,230	1,368,743
Capital outlay	798,920	471,589	322,595	890,901	760,856	827,408
Long-term debt interest	2,220,610	2,058,741	1,752,411	1,162,844	1,212,624	1,241,410
Non-instructional programs	82,532	142,117	149,814	843	654	-
Other expenditures	1,771,545	1,606,455	1,408,173	1,261,795	1,176,050	1,179,686
Total governmental activities expenses	54,785,895	48,599,978	44,473,389	40,505,297	36,860,048	34,943,706
Business type activities:						
Nutrition	2,403,213	2,217,269	1,969,280	1,816,128	1,543,782	1,614,434
Day care services	2,251,506	2,033,473	1,858,371	1,524,092	1,230,729	1,237,387
Community education services	509,127	481,129	429,823	594,714	467,234	394,055
Total business type activities expenses	5,163,846	4,731,871	4,257,474	3,934,934	3,241,745	3,245,876
Total primary government expenses	\$ 59,949,741	53,331,849	48,730,863	44,440,231	40,101,793	38,189,582
Program revenues:						
Governmental activities:						
Charges for services:						
Instruction	\$ 4,721,590	3,890,184	3,932,276	4,172,796	3,846,633	3,737,924
Support services	236,406	175,645	355,562	217,477	221,696	174,815
Non-instructional programs	-	-	-	-	-	-
Other	-	-	-	-	-	6,193
Operating grants and contributions	5,115,230	4,136,055	3,260,375	3,117,791	2,694,797	2,953,549
Total governmental activities program revenues	10,073,226	8,201,884	7,548,213	7,508,064	6,763,126	6,872,481
Business type activities:						
Charges for services:						
Nutrition	1,877,541	1,751,445	1,686,958	1,578,301	1,453,805	1,337,514
Day care services	2,218,810	1,919,604	1,870,127	1,564,964	1,358,932	1,246,703
Community education services	479,257	435,473	391,836	548,318	438,535	377,596
Operating grants and contributions	717,105	526,633	548,230	441,769	375,335	354,505
Total business type program revenues	5,292,713	4,633,155	4,497,151	4,133,352	3,626,607	3,316,318
Total primary government program revenues	\$ 15,365,939	12,835,039	12,045,364	11,641,416	10,389,733	10,188,799
Net revenue (expense):						
Governmental activities	\$ (44,712,669)	(40,398,094)	(36,925,176)	(32,997,233)	(30,096,922)	(28,071,225)
Business type activities	128,867	(98,716)	239,677	198,418	384,862	70,442
Total primary government net expense	\$ (44,583,802)	(40,496,810)	(36,685,499)	(32,798,815)	(29,712,060)	(28,000,783)

*The District began to report accrual information when it implemented GASB Statement 34 in 2003.

Source: 2008 Certified Annual Report

GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
Last Six Fiscal Years *

Year ended June 30,	2008	2007	2006	2005	2004	2003
Net (expense) revenue:						
Governmental activities	\$ (44,712,669)	(40,398,094)	(36,925,176)	(32,997,233)	(30,096,922)	(28,071,225)
Business type activities	128,867	(98,716)	239,677	198,418	384,862	70,442
Total primary government net expense	(44,583,802)	(40,496,810)	(36,685,499)	(32,798,815)	(29,712,060)	(28,000,783)
General revenues and other changes in net assets:						
Governmental activities:						
General revenues:						
Property taxes levied for:						
General purposes	19,689,959	19,159,367	16,565,872	15,337,951	13,415,403	10,865,336
Debt service	2,657,697	2,177,335	2,304,979	2,018,204	2,012,726	2,442,045
Capital outlay	2,485,836	2,384,625	2,159,039	2,059,739	1,887,257	4,872,948
Local option sales and services tax	5,230,332	5,222,527	4,594,967	4,256,361	3,999,532	-
Unrestricted state grants	19,400,505	17,692,641	16,398,591	14,607,644	13,358,918	13,105,626
Unrestricted investment earnings	1,148,153	1,610,716	853,263	200,335	126,896	51,709
Other	1,142,678	1,213,525	668,816	501,142	367,015	69,576
Capital contributions	-	-	-	(285,868)	-	-
Gain on sale of assets	-	-	-	-	-	214,695
Transfers	-	-	-	(16,548)	(13,993)	-
Total governmental activities	51,755,160	49,460,736	43,545,527	38,678,960	35,153,754	31,621,935
Business-type activities:						
Investment earnings	-	-	-	-	-	-
Miscellaneous	-	-	-	285,868	-	-
Transfers	-	-	-	16,548	13,993	-
Total business-type activities	-	-	-	302,416	13,993	-
Total primary government general revenues and other changes in net assets	51,755,160	49,460,736	43,545,527	38,981,376	35,167,747	31,621,935
Change in net assets:						
Governmental activities	7,042,491	9,062,642	6,620,351	5,681,727	5,056,832	3,550,710
Business-type activities	128,867	(98,716)	239,677	500,834	398,855	70,442
Total primary government change in net assets	\$ 7,171,358	8,963,926	6,860,028	6,182,561	5,455,687	3,621,152

*The District began to report accrual information when it implemented GASB Statement 34 in 2003.

Source: Certified Annual Report



FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Year ended June 30,	2008	2007	2006	2005	2004
General Fund:					
Reserved	\$ 497,962	504,469	439,250	380,357	496,423
Unreserved	2,713,355	2,693,386	1,363,662	699,325	(904,157)
Total general fund	3,211,317	3,197,855	1,802,912	1,079,682	(407,734)
All other governmental funds:					
Reserved, Debt Service	454,343	397,337	3,393,351	219,696	209,093
Unreserved, reported in:					
Special revenue funds	4,427,435	3,494,338	2,883,949	2,086,111	1,486,468
Capital project funds	17,177,649	14,123,571	27,299,916	2,594,715	1,185,564
Total all other governmental funds	22,059,427	18,015,246	33,577,216	4,900,522	2,881,125
Total governmental fund balances	\$ 25,270,744	21,213,101	35,380,128	5,980,204	2,473,391

Source: Certified Annual Report

2003	2002	2001	2000	1999
436,761	251,347	209,213	261,090	277,381
(1,867,297)	(1,545,018)	153,623	1,936,982	1,480,721
(1,430,536)	(1,293,671)	362,836	2,198,072	1,758,102
206,947	193,570	184,324	147,928	95,124
1,549,840	1,484,665	964,726	325,558	1,309,390
1,533,584	1,130,442	6,457,606	9,625,548	-
3,290,371	2,808,677	7,606,656	10,099,034	1,404,514
1,859,835	1,515,006	7,969,492	12,297,106	3,162,616

GOVERNMENTAL FUNDS REVENUES
Last Ten Fiscal Years

Year ended June 30,	2008	2007	2006	2005	2004
Local Sources:					
Property taxes	\$ 24,131,034	23,016,962	20,330,548	19,415,895	17,315,388
Local option sales tax	5,230,332	5,222,527	4,594,967	4,256,361	3,999,532
Utility replacement	702,460	704,365	699,341	**	**
Other local sources	5,613,015	4,594,317	4,395,017	4,593,385	4,250,846
Investment earnings	1,148,154	1,610,716	826,048	200,335	37,401
Student activities	506,711	600,924	549,155	282,713	259,386
Total local sources	37,331,706	35,749,811	31,395,076	28,748,689	25,862,553
State sources:					
State foundation aid	19,218,464	17,835,060	16,290,764	14,607,554	13,358,918
Other state sources	4,669,452	3,522,227	2,861,968	2,679,467	2,225,696
Total state sources	23,887,916	21,357,287	19,152,732	17,287,021	15,584,614
Federal sources	608,406	555,522	545,932	453,730	475,152
Total Revenues	\$ 61,828,028	57,662,620	51,093,740	46,489,440	41,922,319

*Revenue from local and state sources were not broken down into detail prior to fiscal year 2000.
Therefore, only the total is shown for these resources.

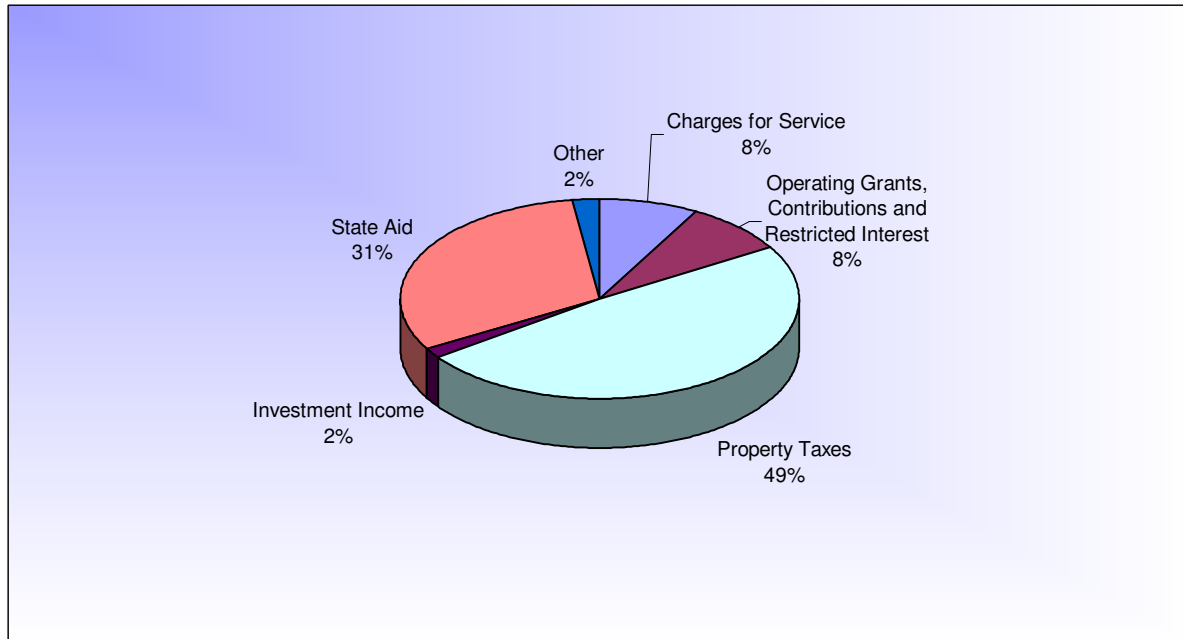
**Utility replacement revenue was not broken down into detail prior to fiscal year 2006.

Source: 2008 Certified Annual Report

2003	2002	2001	2000	1999
14,337,962	12,243,083	11,007,787	10,273,581	*
3,838,843	3,248,682	3,218,205	-	*
**	**	**	**	*
3,904,498	4,075,038	3,214,670	3,288,808	*
51,509	307,058	798,823	302,042	*
262,800	219,633	200,217	384,492	*
22,395,612	20,093,494	18,439,702	14,248,923	13,735,533
13,069,761	12,001,035	11,325,418	10,956,019	*
2,364,764	2,760,448	2,659,896	2,234,063	*
15,434,525	14,761,483	13,985,314	13,190,082	10,861,440
449,584	418,530	179,017	176,024	134,574
38,279,721	35,273,507	32,604,033	27,615,029	24,731,547

GOVERNMENT-WIDE REVENUES, BY SOURCE
Last Six Fiscal Years*

PROGRAM REVENUES			GENERAL REVENUES				
Fiscal Year	Charges for Service	Operating Grants, Contributions and Restricted Interest	Property Taxes	Investment Income	State Aid	Other	TOTAL
2007-08	\$ 4,957,996	5,115,230	30,063,826	1,148,154	19,218,464	1,324,358	61,828,028
2006-07	4,065,829	4,136,055	28,943,854	1,610,716	17,692,641	1,213,525	57,662,620
2005-06	4,287,838	3,260,375	25,624,857	853,263	16,398,591	668,816	51,093,740
2004-05	4,390,273	3,117,791	23,672,255	200,335	14,607,644	501,142	46,489,440
2003-04	4,068,329	2,694,797	21,314,918	126,896	13,358,918	367,015	41,930,873
2002-03	3,918,932	2,953,549	18,180,329	51,709	13,105,626	284,271	38,494,416



*Note: No 10-year data available since required reporting began in FY03.
 Governmental activities only, does not include business activities.

Source: District Audits



COMPARATIVE RATIO OF DEBT SERVICE TO GOVERNMENTAL FUNDS EXPENDITURES
Last Ten Fiscal Years

Year ending June 30,	2008	2007	2006	2005
Instruction:	\$ -	-	-	-
Regular instruction	22,840,146	19,978,686	18,389,994	16,682,152
Special instruction	7,135,533	6,694,623	5,867,984	6,196,627
Other instruction	2,798,377	2,841,136	2,385,744	2,186,628
Support services:	-	-	-	-
Student services	1,413,042	1,289,939	1,189,547	1,123,216
Instructional staff services	2,679,714	2,087,999	1,985,956	1,452,473
Administration services	5,216,577	4,781,180	4,011,887	2,685,530
Plant operation and maintenance	4,511,428	3,903,490	3,707,823	3,596,527
Transportation services	1,984,393	2,103,016	1,675,469	1,846,703
Non-instructional programs:				
Food services	22,305	2,855	8,203	713
Community service and education	111,639	121,130	142,590	5,130
Capital outlay	9,739,160	16,166,714	7,242,583	4,949,087
Debt service:				
Principal	5,365,000	7,655,000	9,510,000	11,975,000
Interest	2,230,458	2,592,150	1,085,413	1,155,598
Services	20,500	5,274	2,450	3,900
Intergovernmental other expenditures	1,771,545	1,606,455	1,408,173	1,261,795
Total expenditures	\$ 67,839,817	71,829,647	58,613,816	55,121,079
Debt service as a percentage of non-capital expenditures	15.09%	22.58%	25.99%	35.46%

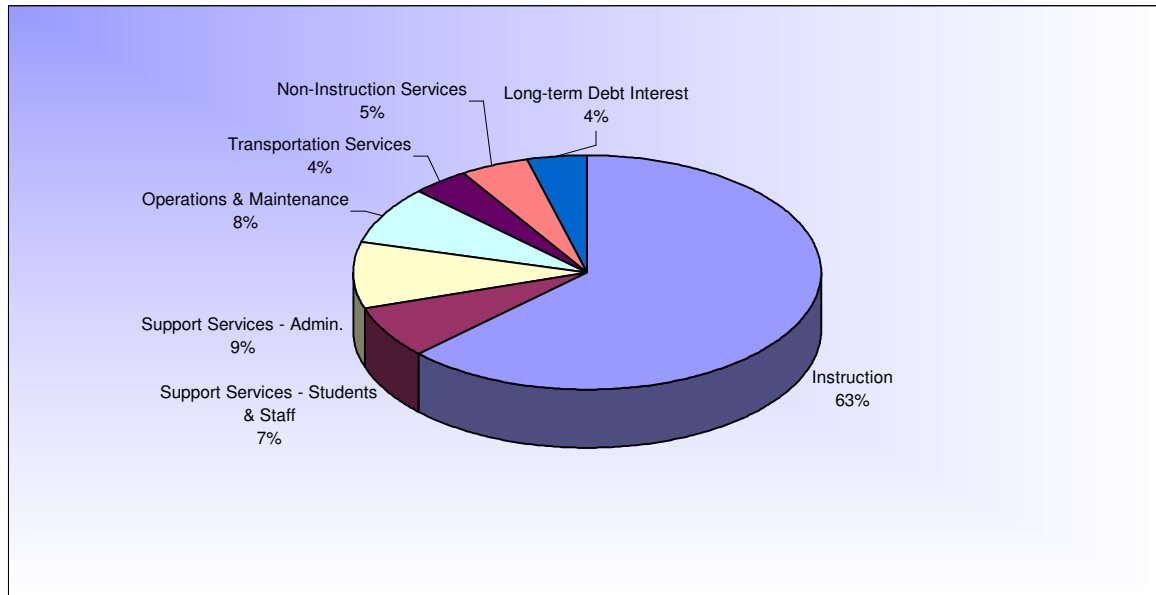
*Instruction and support service expenditures were not broken down into further functional detail for these years. Therefore, only total instruction and total support services are shown.

Source: 2008 Certified Annual Report

2004	2003	2002	2001	2000	1999
-	-	18,664,286	16,572,480	14,498,176	13,127,978
14,923,600	13,619,433	*	*	*	*
5,449,798	4,021,880	*	*	*	*
2,082,883	2,531,466	*	*	*	*
-	-	9,858,214	9,436,916	8,097,610	7,568,645
1,082,857	1,177,213	*	*	*	*
1,309,542	2,393,225	*	*	*	*
2,737,819	2,679,639	*	*	*	*
3,095,173	2,548,618	*	*	*	*
1,460,984	1,342,785	*	*	*	*
646	-	-	-	-	-
2,508	-	-	-	-	-
15,198,700	2,199,651	4,602,807	6,867,350	2,406,813	2,018,576
3,620,000	9,415,000	11,370,000	4,995,000	1,150,000	1,080,000
1,184,564	1,264,768	1,674,567	1,790,672	1,345,940	1,410,318
3,250	1,575	1,575	22,803	900	2,325
1,176,050	1,179,686	1,104,898	1,065,880	981,100	871,541
53,328,374	44,374,939	47,276,347	40,751,101	28,480,539	26,079,383
14.43%	33.92%	44.03%	25.15%	10.59%	11.56%

GOVERNMENT-WIDE EXPENSES, BY FUNCTION
Last Six Fiscal Years*

Fiscal Year	Instruction	Support Services - Students & Staff	Support Services - Admin.	Operations & Maintenance	Transportation Services	Non-Instruction Services	Long-term Debt Interest	Totals
2007-08	\$ 34,346,658	4,069,979	4,929,567	4,488,374	2,097,710	2,632,997	2,220,610	54,785,895
2006-07	30,666,801	3,364,566	4,344,754	3,896,886	2,048,069	2,220,161	2,058,741	48,599,978
2005-06	28,211,145	3,103,750	4,048,697	3,717,675	1,759,129	1,880,582	1,752,411	44,473,389
2004-05	26,518,342	2,563,853	2,741,465	3,640,341	1,724,913	2,153,539	1,162,844	40,505,297
2003-04	23,852,166	2,424,261	2,869,991	3,083,216	1,480,230	1,937,560	1,212,624	36,860,048
2002-03	21,456,624	3,597,988	2,723,030	2,548,817	1,368,743	2,007,094	1,241,410	34,943,706



*Note: No 10-year data available since required reporting began in FY03.
 Governmental activities only, does not include business activities.

Source: District Audits



OTHER FINANCING SOURCES (USES) AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Year ended June 30,	2008	2007	2006	2005
Excess of revenues over (under) expenditures	\$ (6,011,789)	(14,167,027)	(7,520,076)	(8,631,639)
Other financing sources (uses):				
Transfers in	5,397,505	5,392,773	1,248,028	11,225,244
Transfers out	(5,397,505)	(5,392,773)	(1,248,028)	(11,241,792)
Capital contribution	-	-	-	-
Sale of bonds	10,069,074	-	36,920,000	12,155,000
Sale of property/equipment	358	-	-	-
General obligation bond proceeds	-	-	-	-
Sales tax revenue bond proceeds	-	-	-	-
Net change in fund balances	\$ 4,057,643	(14,167,027)	29,399,924	3,506,813

Source: Certified Annual Report

2004	2003	2002	2001	2000	1999
(11,406,005)	(6,095,218)	(12,002,840)	(8,147,068)	(865,510)	(1,347,836)
2,804,031	2,091,187	10,537,725	537,775	280,793	629,997
(2,818,024)	(2,091,187)	(10,537,725)	(537,775)	(280,793)	(629,997)
-	-	-	-	-	(114,233)
12,025,000	6,300,000	-	-	10,000,000	-
8,554	214,695	-	133,800	-	-
-	-	-	3,750,000	-	-
-	-	5,565,000	-	-	-
613,556	419,477	(6,437,840)	(4,263,268)	9,134,490	(1,462,069)

**COMPARISONS OF GROWTH IN REVENUE, EXPENDITURES, ENROLLMENT,
ASSESSED VALUATION AND TAX RATES - GENERAL FUND BY YEAR
Last Ten Fiscal Years**

Fiscal Year	Revenue	Growth	Expenditures	Growth	Enrollment	Growth
2007-08	\$ 48,564,115	8.8%	\$ 48,550,653	12.3%	5,638.1	4.5%
2006-07	44,636,256	12.0%	43,241,313	10.4%	5,396.7	4.1%
2005-06	39,844,239	11.9%	39,164,333	12.4%	5,186.0	6.1%
2004-05	35,613,671	9.9%	34,831,387	11.0%	4,885.6	5.9%
2003-04	32,405,251	8.8%	31,379,456	5.1%	4,613.2	5.2%
2002-03	29,777,544	11.0%	29,870,388	4.9%	4,386.1	4.6%
2001-02	26,831,282	10.7%	28,487,789	8.7%	4,192.1	5.2%
2000-01	24,239,639	4.3%	26,202,424	14.9%	3,984.7	4.6%
1999-00	23,239,639	17.3%	22,799,669	9.3%	3,810.6	4.2%
1998-99	19,814,900	8.4%	20,858,051	10.9%	3,657.7	8.5%

Source: Polk County Auditor and Certified Annual Report

Assessed Value	Growth	Tax Rate	Growth
\$ 1,515,428,149	6.9%	13.12525	-0.2%
1,417,503,306	10.5%	13.14847	-0.2%
1,282,307,388	15.9%	13.17896	0.3%
1,106,229,055	9.3%	13.13583	4.7%
1,012,560,944	14.1%	12.54170	5.5%
887,814,005	8.9%	11.89065	8.2%
815,294,544	8.8%	10.99253	4.4%
749,695,145	7.6%	10.53107	1.5%
696,721,805	7.6%	10.37907	6.3%
647,636,823	7.4%	9.75973	2.0%

TAXABLE ASSESSED VALUATION* BY PROPERTY TYPE
Last Ten Fiscal Years

Collection Year	Residential	Ag Land	Ag Buildings	Commercial	Industrial	Personal	Utilities	Total
2007-2008	\$ 905,667,150	3,772,140	646,940	561,242,040	3,298,440	-	40,801,439	1,515,428,149
2006-07	849,402,510	3,358,070	521,830	520,985,510	3,152,260	-	40,083,126	1,417,503,306
2005-06	730,312,876	3,746,610	587,780	497,676,173	2,722,717	-	47,261,232	1,282,307,388
2004-05	668,827,186	4,114,630	578,690	380,091,624	2,598,269	-	50,018,656	1,106,229,055
2003-04	609,420,161	6,481,470	505,190	342,771,383	2,314,150	-	51,068,590	1,012,560,944
2002-03	563,424,609	6,878,360	516,830	265,532,081	2,100,870	745,273	48,615,982	887,814,005
2001-02	518,631,796	7,693,210	444,460	235,087,410	1,987,060	1,671,646	49,739,362	815,254,944
2000-01	461,112,001	7,725,820	460,050	226,654,770	1,558,730	2,160,822	50,022,949	749,695,142
1999-00	415,776,925	7,068,500	388,600	216,179,999	1,355,170	3,691,768	52,260,843	696,721,805
1998-99	371,165,842	7,114,730	375,830	205,233,194	1,335,290	7,102,895	55,309,042	647,636,823

Collection Year	Residential	Ag Land	Ag Buildings	Commercial	Industrial	Personal	Utilities	Total
2007-08	59.8%	0.2%	0.0%	37.0%	0.2%	0.0%	2.7%	100.0%
2006-07	59.9%	0.2%	0.0%	36.8%	0.2%	0.0%	2.8%	100.0%
2005-06	57.0%	0.3%	0.0%	38.8%	0.2%	0.0%	3.7%	100.0%
2004-05	60.5%	0.4%	0.1%	34.4%	0.2%	0.0%	4.5%	100.0%
2003-04	60.2%	0.6%	0.0%	33.9%	0.2%	0.0%	5.0%	100.0%
2002-03	63.5%	0.8%	0.1%	29.9%	0.2%	0.1%	5.5%	100.0%
2001-02	63.6%	0.9%	0.1%	28.8%	0.2%	0.2%	6.1%	100.0%
2000-01	61.5%	1.0%	0.1%	30.2%	0.2%	0.3%	6.7%	100.0%
1999-00	59.7%	1.0%	0.1%	31.0%	0.2%	0.5%	7.5%	100.0%
1998-99	57.3%	1.1%	0.1%	31.7%	0.2%	1.1%	8.5%	100.0%

* Does not include TIF Valuation

Source: Polk County Auditor

**PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years**

		Overlapping Rates					District Direct Rates					
Levy Year	Collection Year	Polk County	State	Area XI Community College	City	Special	Johnston General Purpose	Johnston Capital Purpose	Johnston Debt Service	Johnston Community School District	Total	Ratio of Johnston CSD to Total
City of Des Moines												
2006	2007-08	10.72611	0.00350	0.56386	16.57606	0.33994	13.89265	1.67000	1.78548	17.34183	45.55130	0.38071
2005	2006-07	10.76215	0.00350	0.60276	16.59028	0.35918	14.15140	1.67000	1.52483	17.34623	45.66410	0.37987
2004	2005-06	9.55090	0.00400	0.68408	16.52000	0.79301	13.89207	1.67000	1.78541	17.34748	44.89947	0.38636
2003	2004-05	9.60980	0.00400	0.59856	17.05539	0.76702	13.90421	1.67000	1.63632	17.21053	45.24530	0.38038
2002	2003-04	9.40708	0.00400	0.58184	17.04806	0.35518	13.27434	1.67000	1.78533	16.72967	44.12583	0.37914
2001	2002-03	9.34184	0.00400	0.54584	17.04857	0.38033	12.28488	1.00000	2.36958	15.65446	42.97504	0.36427
2000	2001-02	9.63888	0.00500	0.54454	17.04857	0.35432	11.32985	1.00000	2.76844	15.09829	42.68960	0.35368
1999	2000-01	9.25371	0.00500	0.54506	16.57304	0.39163	10.75120	1.00000	3.08520	14.83631	41.60475	0.35660
1998	1999-00	9.27874	0.00500	0.52451	16.81579	0.42847	10.55844	1.00000	3.43546	14.99390	42.04641	0.35660
1997	1998-99	9.28690	0.00500	0.50551	16.93966	0.45088	9.94502	1.00000	3.72547	14.67049	41.85844	0.35048
1996	1997-98	9.18010	0.00500	0.47230	16.24935	0.48012	9.76809	1.00000	4.05000	14.81809	41.20496	0.35962
City of Grimes												
2006	2007-08	10.18280	0.00350	0.56386	12.96278	-	13.89265	1.67000	1.78548	17.34183	41.05477	0.42241
2005	2006-07	10.21360	0.00350	0.60276	12.92590	-	14.15140	1.67000	1.52483	17.34623	41.09199	0.42213
2004	2005-06	9.55090	0.00400	0.68408	12.82953	0.39228	13.89207	1.67000	1.78541	17.34748	40.80827	0.42510
2003	2004-05	9.60980	0.00400	0.59856	12.84260	0.35480	13.90421	1.67000	1.63632	17.21053	40.62029	0.42369
2002	2003-04	9.40708	0.00400	0.58184	12.82394	0.35518	13.27434	1.67000	1.78533	16.72967	39.90171	0.41927
2001	2002-03	9.34184	0.00400	0.54584	12.76837	0.38033	12.28488	1.00000	2.36958	15.65446	38.69484	0.40456
2000	2001-02	9.63888	0.00500	0.54454	11.72852	-	11.32985	1.00000	2.76844	15.09829	37.01523	0.40789
1999	2000-01	9.25371	0.00500	0.54506	11.61255	-	10.75120	1.00000	3.08520	14.83631	36.25263	0.40925
1998	1999-00	9.27874	0.00500	0.52451	11.61165	-	10.55844	1.00000	3.43546	14.99390	36.41380	0.41176
1997	1998-99	9.28690	0.00500	0.50551	12.27467	-	9.94502	1.00000	3.72547	14.67049	36.74257	0.39928
1996	1997-98	9.11536	0.00500	0.47230	11.02283	-	9.76809	1.00000	4.05000	14.81809	35.43358	0.41819
City of Johnston												
2006	2007-08	10.19685	0.00350	0.56386	11.30102	-	13.89265	1.67000	1.78548	17.34183	39.40706	0.44007
2005	2006-07	10.22677	0.00350	0.60276	11.30298	-	14.15140	1.67000	1.52483	17.34623	39.48224	0.43934
2004	2005-06	9.55090	0.00400	0.68408	10.74278	0.39228	13.89207	1.67000	1.78541	17.34748	38.72152	0.44801
2003	2004-05	9.60980	0.00400	0.59856	10.80991	0.35480	13.90421	1.67000	1.63632	17.21053	38.58760	0.44601
2002	2003-04	9.40708	0.00400	0.58184	10.88788	0.35518	13.27434	1.67000	1.78533	16.72967	37.96565	0.44065
2001	2002-03	9.34184	0.00400	0.54584	10.89082	0.38033	12.28488	1.00000	2.36958	15.65446	36.81729	0.42519
2000	2001-02	9.63888	0.00500	0.54454	11.19234	-	11.32985	1.00000	2.76844	15.09829	36.47905	0.41389
1999	2000-01	9.25371	0.00500	0.54506	9.93838	-	10.75120	1.00000	3.08520	14.83631	34.57846	0.42906
1998	1999-00	9.27874	0.00500	0.52451	9.47808	-	10.55844	1.00000	3.43546	14.99390	34.28023	0.43739
1997	1998-99	9.28690	0.00500	0.50551	9.85999	-	9.94502	1.00000	3.72547	14.67049	34.32789	0.42736
1996	1997-98	9.11536	0.00500	0.47230	9.64987	-	9.76809	1.00000	4.05000	14.81809	34.06062	0.43505
City of Urbandale												
2006	2007-08	10.35828	0.00350	0.56386	9.22000	0.33994	13.89265	1.67000	1.78548	17.34183	37.82741	0.45845
2005	2006-07	10.33434	0.00350	0.60276	9.22000	0.35918	14.15140	1.67000	1.52483	17.34623	37.86601	0.45810
2004	2005-06	9.55090	0.00400	0.68408	9.07010	0.79301	13.89207	1.67000	1.78541	17.34748	37.44957	0.46322
2003	2004-05	9.60980	0.00400	0.59856	9.07306	0.76702	13.90421	1.67000	1.63632	17.21053	37.26297	0.46187
2002	2003-04	9.40708	0.00400	0.58184	9.07000	0.35518	13.27434	1.67000	1.78533	16.72967	36.14777	0.46281
2001	2002-03	9.34184	0.00400	0.54584	8.97000	0.38033	12.28488	1.00000	2.36958	15.65446	34.89647	0.44860
2000	2001-02	9.63888	0.00500	0.54454	11.19234	-	11.32985	1.00000	2.76844	15.09829	36.47905	0.41389
1999	2000-01	9.25371	0.00500	0.54506	8.97000	0.39163	10.75120	1.00000	3.08520	14.83631	34.00171	0.43634
1998	1999-00	9.27874	0.00500	0.52451	8.83994	0.42847	10.55844	1.00000	3.43546	14.99390	34.07056	0.44008
1997	1998-99	9.28690	0.00500	0.50551	8.49000	0.45088	9.94502	1.00000	3.72547	14.67049	33.40878	0.43912
1996	1997-98	9.11536	0.00500	0.47230	8.51857	0.48012	9.76809	1.00000	4.05000	14.81809	33.40944	0.44353

Source: Polk County Auditor

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2008			1999		
	2006* Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Pioneer Hi-Bred Intl. Corp.	\$70,512,060	1	4.65%	38,436,854	2	6.36%
Mid American Energy	40,648,859	2	2.68%	44,292,932	1	7.33%
Deer Credit Service	29,594,530	3	1.95%	-	-	-
MFR Partners III	18,038,390	4	1.19%	-	-	-
Mid-American Inv. Co.	15,678,350	5	1.03%	-	-	-
Target Corp.	13,742,960	6	0.91%	-	-	-
Spirit SPE Johnston LLC	12,151,250	7	0.80%	-	-	-
Denny Elwell Family LC	11,319,070	8	0.75%			2.54%
Village Court	11,157,820	9	0.74%	15,365,580	3	0.00%
Colossal Investments	9,831,500	10	0.65%	-		0.00%
Green Meadows LTD	-	-	-	11,308,480	5	1.87%
Westchester Village & Square	-	-	-	13,909,000	4	2.30%
AMCENA Properties (Maurices)	-	-	-	7,445,950	6	1.23%
Graham Group	-	-	-	6,233,100	7	1.03%
MLH Income Realty (Haymarket Center)	-	-	-	5,334,000	8	0.88%
U.S. West	-	-	-	4,412,952	9	0.73%
Des Moines Assn Limited Partnership	-	-	-	4,294,000	10	0.71%
Total	\$232,674,789		16.21%	\$151,032,848		24.98%
 Total taxable value	 \$1,515,428,149			 \$604,618,142		

*Basis for taxes paid in FY07

Source: Polk County Auditor

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2008			1999		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Pioneer Hi-Bred International, Inc.	1,600	1	*	1,471	1	*
John Deere Credit	910	2	*	*	*	*
Johnston Community Schools	800	3	*	505	3	*
Iowa National Guard	704	4	*	576	2	*
Heartland Area Education Agency	250	5	*	156	7	*
Bishop Drumm Care Center	245	6	*	202	5	*
Children's Habilitation Center	175	7	*	*	*	*
Iowa Public Television	127	8	*	130	8	*
ITS Inc.	125	9	*	183	6	*
Youth Homes of Mid-America	80	10	*	*	*	*
American Concrete Products	*	*	*	235	4	*
Iowa Communications Network	*	*	*	96	9	*
All other employers	*		*	*		*
Total	5,016		*	3,554		*

*Information not available

Note: Data for 9 available for 1999

Source: City of Johnston

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Year ended June 30,	Taxies Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 24,906,887	24,803,349	99.58%	10,390	24,813,739	99.63%
2007	23,758,496	23,704,921	99.77%	465	23,705,386	99.78%
2006	20,309,486	21,011,386	103.46%	1,422	21,012,808	103.46%
2005	19,467,819	19,393,809	99.62%	4,288	19,398,097	99.64%
2004	17,341,078	17,300,548	99.77%	-183	17,300,365	99.77%
2003	14,389,451	14,322,695	99.54%	-670	14,322,025	99.53%
2002	12,651,417	12,586,538	99.49%	868	12,587,406	99.49%
2001	11,379,847	11,475,255	100.84%	962	11,476,217	100.85%
2000	10,640,485	10,234,903	96.19%	*	10,234,903	96.19%
1999	9,466,591	9,376,285	99.05%	*	9,376,285	99.05%

*Information not available

Source: Polk County Cash Management

PROPERTY TAX RATES
Last Ten Fiscal Years

Fiscal Year	General	Mngt.	Reg. PPEL	Voted PPEL	Debt Service	Total
2007-08	\$ 13.12585	\$ 0.76680	\$ 0.33000	\$ 1.34000	\$ 1.78548	\$17.34813
2006-07	13.14847	1.00293	0.33000	1.34000	1.52483	17.34623
2005-06	13.17896	0.71311	0.33000	1.34000	1.78541	17.34748
2004-05	13.13583	0.76838	0.33000	1.34000	1.63632	17.21053
2003-04	12.54170	0.74070	0.33000	1.34000	1.78533	16.73773
2002-03	11.89065	0.39423	0.33000	0.67000	2.36958	15.65446
2001-02	10.99253	0.33732	0.33000	0.67000	2.76844	15.09829
2000-01	10.53107	0.22009	0.33000	0.67000	3.08515	14.83631
1999-00	10.37903	0.17941	0.33000	0.67000	3.43546	14.99390
1998-99	9.75973	0.18529	0.33000	0.67000	3.72547	14.67049

Source: District records

PROPERTY TAX COLLECTION HISTORY
Last Ten Fiscal Years

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2007-08	\$ 24,906,887	24,131,034	96.88%
2006-07	23,758,496	23,620,489	99.42%
2005-06	20,309,486	20,307,113	99.99%
2004-05	19,467,819	19,389,568	99.60%
2003-04	17,341,078	17,315,386	99.85%
2002-03	14,389,451	14,312,952	99.47%
2001-02	12,651,417	12,576,873	99.41%
2000-01	11,379,847	10,982,032	96.50%
1999-00	10,640,485	10,234,903	96.19%
1998-99	9,466,591	9,315,620	98.41%
Average Percentage Collected			98.57%

Source: Certified Annual Report

PROPERTY TAX LIABILITY
Last Ten Fiscal Years

Fiscal Year	Assessed Value	Rollback	Taxable Value	Rate	Tax Liability	Change Dollars	Percent
2007-08	\$ 200,000	44.08%	88,160	17.34813	1,529	(67)	-4.2%
2006-07	200,000	46.00%	92,000	17.34623	1,596	(68)	-4.1%
2005-06	200,000	47.96%	95,920	17.34748	1,664	(4)	-0.2%
2004-05	200,000	48.46%	96,912	17.21053	1,668	(52)	-3.0%
2003-04	200,000	51.39%	102,775	16.73772	1,720	102	6.3%
2002-03	200,000	51.67%	103,335	15.65446	1,618	(81)	-4.8%
2001-02	200,000	56.27%	112,530	15.09829	1,699	71	4.4%
2000-01	200,000	54.85%	109,705	14.83631	1,628	(66)	-3.9%
1999-00	200,000	56.48%	112,958	14.99390	1,694	83	5.2%
1998-99	200,000	54.91%	109,818	14.67049	1,611	(270)	-14.4%

Source: District records, Polk County Assessor

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Population	Assessed Value Property	Legal Debt Limit (5%)	Governmental Activities			Debt to Assessed Value	Per Capita
				General Obligation Bonds	Equipment and Capital Loan Notes	Total**		
2008*	15,261	\$ 2,700,333,561	135,016,678	\$ 47,690,000	\$ 3,430,000	\$ 51,120,000	1.89%	3,350
2007*	15,261	2,390,757,791	119,537,890	40,055,000	4,065,000	44,120,000	1.85%	2,891
2006*	15,076	2,084,408,874	104,220,444	44,835,000	4,690,000	49,525,000	2.38%	3,285
2005**	13,596	1,955,589,136	97,779,457	16,815,000	5,300,000	22,115,000	1.13%	1,627
2004*	12,834	1,709,937,084	85,496,854	18,050,000	5,900,000	23,950,000	1.40%	1,866
2003*	11,742	1,426,451,515	71,322,576	19,200,000	-	19,200,000	1.35%	1,635
2002*	10,483	1,222,199,774	61,109,989	20,580,000	-	20,580,000	1.68%	1,963
2001*	9,506	1,136,728,451	56,836,423	31,950,000	-	31,950,000	2.81%	3,361
2000*	8,649	1,020,210,435	51,010,522	33,195,000	-	33,195,000	3.25%	3,838
1999*	8,149	983,762,223	49,188,111	24,345,000	-	24,345,000	2.47%	2,987

*Estimated

**Special census

Source: Polk County Auditor and District Records

OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities			Total**	100% Assessed Valuation *
	General Obligation Bonds	Sales Tax Revenue Bonds	Equipment and Capital Loan Notes		
2008	\$ 47,690,000	\$ 4,885,000	\$ 3,430,000	\$ 56,005,000	\$ 2,700,333,561
2007	40,055,000	7,250,000	4,065,000	51,370,000	2,390,757,791
2006	44,835,000	9,500,000	4,690,000	59,025,000	2,084,408,874
2005	16,815,000	9,500,000	5,300,000	31,615,000	1,955,589,136
2004	18,050,000	7,485,000	5,900,000	31,435,000	1,709,937,084
2003	19,200,000	3,830,000	-	23,030,000	1,426,451,515
2002	20,580,000	5,565,000	-	26,145,000	1,222,199,774
2001	31,950,000	-	-	31,950,000	1,136,728,451
2000	33,195,000	-	-	33,195,000	1,020,210,435
1999	24,345,000	-	-	24,345,000	983,762,223

* Includes TIF Valuation

** Total Indebtedness indicates amount of debt at the end of the fiscal year.

***Source: Office of Social & Economic Trend Analysis at www.seta.iastate.edu

****Source: Iowa Workforce, data available for Polk County and particular cities.
However, no data for Johnston, so used Urbandale, neighboring district.

NA-Information not available

Percent of Actual Taxable Value of Property	Population***	Per Capita	Personal Income (000's)****	Percentage of Personal Income
2.07%	15,261	3,670	NA	NA
2.15%	15,261	3,366	NA	NA
2.83%	15,076	3,915	NA	NA
1.62%	13,596	2,325	15,754,629	0.20%
1.84%	12,834	2,449	15,002,909	0.21%
1.61%	11,742	1,961	13,872,647	0.17%
2.14%	10,483	2,494	13,421,332	0.19%
2.81%	9,506	3,361	12,735,942	0.25%
3.25%	8,649	3,838	12,299,159	0.27%
2.47%	8,149	2,987	11,636,115	0.21%

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2008 \$2,700,333,561

Debt limit (5% of assessed value)	\$135,016,678
Debt applicable to limit	47,690,000
Legal debt margin	\$87,326,678

Year ended June 30,	1999	2000	2001	2002	2003
Debt limit	\$ 52,522,438	59,987,994	59,987,994	61,109,989	71,322,576
Total net debt applicable to limit	24,345,000	33,195,000	31,950,000	20,580,000	19,200,000
Legal debt margin	\$ 28,177,438	26,792,994	28,037,994	40,529,989	52,122,576
Total net debt applicable to the limit as a percentage of debt limit	46%	55%	53%	34%	27%

Source: Polk County Auditor and District Records

2004	2005	2006	2007	2008
85,496,854	97,687,634	104,220,444	126,186,732	135,016,678
18,050,000	16,815,000	44,835,000	40,055,000	47,690,000
67,446,854	80,872,634	59,385,444	86,131,732	87,326,678
21%	17%	43%	32%	35%

DEBT LIMIT

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of property within the corporate limits, taken from the last County Tax list. The district's debt limit, based upon said valuation, amounts to the following:

Actual value of property, 2007:	\$ 2,700,333,561		
	0.05		
Debt Limit:	<u>\$ 135,016,678</u>		
Total Direct Debt =	<u>\$ 56,005,000</u>	or	<u>41.5%</u> of debt limit.
*Includes TIF valuation of	\$64,965,660		

OVERLAPPING AND UNDERLYING DEBT

Issuer	Outstanding Debt	Total Taxable Valuation	Valuation Within Issuer	Percent Applicable	Amount Applicable
Polk County	\$241,510,000	18,176,062,803	1,584,618,486	8.72%	21,055,232
DMACC	82,815,000	31,982,412,298	1,584,618,486	4.95%	4,103,198
Heartland AEA 11	1,300,000	31,982,412,298	1,584,618,486	4.95%	64,411
Urbandale San Sewer Dist	-	1,811,948,829	342,516,396	18.90%	-
City of Des Moines	509,571,369	6,532,517,779	130,886,167	2.00%	10,209,822
City of Grimes	18,141,195	325,082,005	74,781,086	23.00%	4,173,157
City of Johnston	53,117,060	922,743,225	923,460,545	100.08%	53,158,352
City of Urbandale	37,055,000	1,946,074,572	336,546,291	17.29%	6,408,142
Subtotal, overlapping debt	<u>\$943,509,624</u>				<u>\$99,172,314</u>

District direct debt:			
General obligation	\$ 47,690,000	100%	\$ 47,690,000
Capital loan notes	3,430,000	100%	3,430,000
Sales tax revenue	4,885,000	100%	4,885,000
Total direct and overlapping debt	<u>\$999,514,624</u>		<u>\$155,177,314</u>

Source: Polk County Auditor, Government Offices

PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

Year Ended June 30,	Bonds Issued	Local Option Sales Tax Revenue Bonds				
		Revenue	Debt Service			Coverage
			Principal	Interest	Total	
2008	\$ -	5,452,532	2,365,000	185,666	2,550,666	2.13769
2007	-	5,541,955	2,350,000	1,834,225	4,184,225	1.324488
2006	-	4,710,741	-	-	-	*
2005	12,155,000	4,485,570	10,140,000	229,231	10,369,231	0.432585
2004	5,525,000	4,074,403	1,870,000	184,047	2,054,047	1.983598
2003	-	3,859,969	1,735,000	196,544	1,931,544	1.998385
2002	5,565,000	3,570,317	10,000,000	537,725	10,537,725	0.338813
2001	10,000,000	3,866,882	-	537,775	537,775	7.19052
2000	NA	NA	NA	NA	NA	
1999	NA	NA	NA	NA	NA	

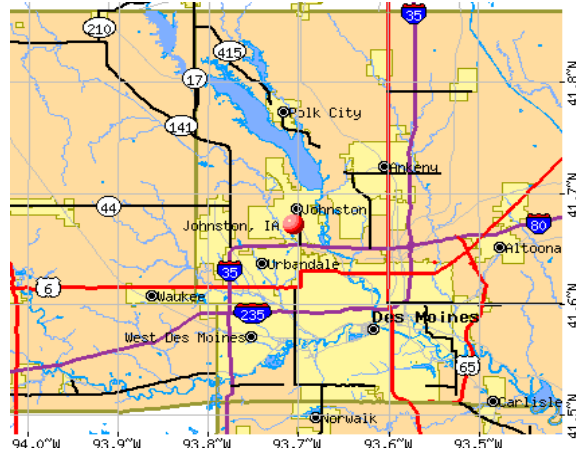
Source; District Records

*Coverage ratio not applicable as no debt payment in this fiscal year

NA: Sales tax revenue did not begin until fiscal year 2001.

GENERAL INFORMATION

The Johnston Community School District is located in central Iowa within the Des Moines Metropolitan area. Included within the District's 25,344 acres are the cities of Johnston and portions of Des Moines, Urbandale and Grimes. Transportation facilities are provided by U.S. Interstates 35 & 80, Iowa Highway 401, as well as numerous paved county roads. Commercial airline service is available at the Des Moines International Airport. Commercial development within the District has been greatly enhanced by the continued growth of the northwestern portion of the metropolitan area. Residential growth and recreational opportunities within the District have been enhanced by the construction of Saylorville Lake, a U.S. Corps of Engineers flood control dam impounding the Des Moines River.



The three major employers within the District are Pioneer Hi-Bred International, Inc., Iowa National Guard-Camp Dodge, and John Deere Credit. Pioneer Hi-Bred International, Inc. is an internationally known producer of hi-bred seed. Employing over 1,000 persons within the District, Pioneer's facilities within Johnston (approximately 500,000 square feet office and laboratory space) include the Central Division Offices, Plant Breeding Division, Pioneer Data Systems Division, and Green Meadows Limited. Iowa National Guard-Camp Dodge is a military division of public defense and employs over 500 persons.

Continuing education centers within commuting distance include: Drake University, Des Moines; Grand View College, Des Moines; University of Osteopathic Medicine, Des Moines; Iowa State University of Science and Technology, Ames; Simpson College, Indianola; and Area XI Des Moines Area Community College, Ankeny.

POPULATION

Calendar Year	Population	Personal Income (000's)	Per Capita Personal Income	Unemployment Rate - %
2007*	15,261	NA	NA	3.4
2006*	15,076	\$ 16,755,221	\$ 40,764	2.9
2005**	13,596	15,754,629	39,215	2.9
2004*	12,834	15,002,909	38,058	2.7
2003*	11,742	13,872,647	35,583	2.4
2002*	10,483	13,421,332	34,817	2.1
2001*	9,506	12,735,942	33,461	1.7
2000	8,649	12,299,159	32,725	1.4
1999*	8,149	11,636,115	31,399	1.1
1998*	7,649	11,031,940	30,217	1.2
1997*	7,149	10,155,903	28,134	1.5

*Estimated

**Special Census

(1) Source: Office of Social & Economic Trend Analysis - www.seta.iastate.edu

(2) Source: Iowa Workforce, data available for Polk County and particular cities.

No data available for Johnston, therefore used Urbandale, a neighboring district.

NA-Information not available

2000 census figures according to age group for the cities of Johnston, Urbandale and Des Moines:

	Johnston	Urbandale	Des Moines
Under 19 years	31.5%	28.5%	27.8%
20 to 24 years	3.4%	4.8%	7.6%
25 to 44 years	31.6%	31.3%	31.8%
45 to 64 years	22.6%	24.6%	20.4%
65 to 84 years	8.7%	9.6%	10.5%
85 and over	2.2%	1.7%	1.8%
Median Age	36.3	37.0	33.8

Source: U.S. Census

RETAIL SALES (IN MILLIONS)
Last Ten Fiscal Years

Year ended 3/31		Johnston		Des Moines		Polk County		State
2008	\$	174.1	\$	3,470.7	\$	6,571.6	\$	33,089.0
2007		134.0		3,418.1		6,473.5		31,645.7
2006		126.1		3,502.6		6,462.9		31,108.3
2005		124.3		3,418.1		6,173.6		29,805.3
2004		110.7		3,492.3		6,035.2		29,099.3
2003		98.2		3,713.2		6,190.4		28,704.9
2002		87.4		3,789.7		6,052.8		28,446.6
2001		77.7		3,994.6		6,111.4		28,481.7
2000		77.2		4,108.0		6,061.1		27,586.1
1999		57.7		4,054.9		5,848.5		26,770.7

NA - Information not available.

Source: Iowa Department of Revenue & Finance

BANK DEPOSITS

Institution	June 30, 2008
	Deposits inside Market
Polk County Bank	\$ 67,153,000
Charter Bank	60,224,000
Wells Fargo Bank	43,333,000
Community State Bank	27,096,000
Bank of the West	17,425,000
First Bank	11,905,000
Bank Iowa	10,742,000
Vantus Bank	5,693,000
ITS Bank	500,000
	<u>\$ 244,071,000</u>

Source: FDIC Deposit Market Share Report, Zip Code 50131

RESIDENTIAL CONSTRUCTION BY NUMBER OF DWELLING UNITS

Year	Single Family	Townhome	Multi-family	(# Multi-family living units)	Totals
2007	130	68	0	0	198
2006	190	175	0	0	365
2005	269	100	0	0	369
2004	324	65	0	0	389
2003	253	90	24	204	571
2002	226	30	19	152	427
2001	206	98	4	32	340
2000	130	78	0	0	208
1999	252	93	0	0	345
1998	186	77	0	0	263
1997	174	2	0	0	176
1996	167	17	0	0	184
1995	141	0	0	0	141
1994	96	6	6	144	252
1993	65	13	0	0	78
1992	60	5	0	0	65
1991	46	9	0	0	55
1990	24	2	1	60	87
Total	2,939	928	54	592	4,513

Source: City of Johnston Planning Department

**DISTRICT STAFFING LEVELS -- General Fund (FTE)
Last Ten Fiscal Years**

		For Fiscal Year ended June 30,									
		2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Administration:											
Superintendent		1.0	1.0	1.0	1	1	1	1	1	1	1
Assoc. Supt.		1.0	1.0	1.0	1	1	1	1	1	-	-
Principals		7.0	7.0	7.0	7	6	6	6	5	5	5
Assist. Principals		9.0	9.0	9.0	4	4	4	4	4	3	2
Other Admin.		3.0	2.0	2.0	2	2	2	2	2	3	1
Total Administration		21.0	20.0	20.0	15	14	14	14	13	12	9
Supervisors/ Coordinators/Managers											
		6.0	6.0	6.0	6	6	6	6	4	-	4
Instruction:											
Teachers		364.1	331.2	324.3	309	287	287	287	280	258	236
Counselors		12.0	11.0	9.5	7	7	7	7	7	9	7
Media Spec.		8.0	7.0	7.0	6	6	6	6	5	5	7
Other Instructors		3.0	4.0	4.0	4	4	4	4	9	9	-
Total Instruction		387.1	353.2	344.8	326	304	304	304	301	280	250
Professional/Other											
Nurses		7.0	6.0	6.0	6	6	6	6	5	5	5
Other Professional Staff		7.5	6.0	6.0	10	6	6	6	9	7	6
Total Professional/Other		14.5	12.0	12.0	16	12	12	12	14	12	11
Instructional Support Personnel:		124.0	114.6	114.6	112	125	125	123			
Support Personnel:											
Office/Clerical		29.0	25.0	24.0	23	25	25	25	22	20	19
Transportation		55.0	48.0	40.0	26	48	48	45			
Op. & Maintenance		44.0	38.0	38.0	36	31	31	31			
Service Personnel		5.0	5.0	5.0	-	-	-	-	185	191	168
Total Support Personnel		133.0	116.0	107.0	84	104	104	101	207	211	187
Grand Totals		685.6	621.8	604.4	559	565	565	560	539	514	461
Enrollment		5638	5398	5167	4,920	4,615	4,372	4,192	3,985	3,812	3,658
Employees/Student		8.2	8.7	8.5	8.8	8.2	7.7	7.5	7.4	7.4	7.9

Source: District Data

DISTRICT ENROLLMENT
Last Ten Fiscal Years

Year	K-4	K-5	5-8	6-7	7-8	6-8	9-12	10-12	*	Total	Open Enrollment	
											In	Out
2007-08	-	2,729	-	832	846	-	-	1,249	(19)	5,637	307.2	330.9
2006-07	-	2,574	-	793	854	-	-	1,175		5,396	313.0	338.0
2005-06	-	2,415	-	833	792	-	-	1,120		5,160	278.3	333.1
2004-05	-	2,287	-	830	786	-	-	1,027		4,930	277.1	281.1
2003-04	-	2,185	-	-	-	1,139	1,352	-		4,676	283.0	278.6
2002-03	-	2,098	-	-	-	1,046	1,228	-		4,372	281.0	284.0
2001-02	-	1,986	-	-	-	991	1,215	-		4,192	254.4	252.9
2000-01	-	1,912	-	-	-	895	1,178	-		3,985	274.3	216.0
1999-00	-	1,865	-	-	-	842	1,105	-		3,812	284.0	187.8
1998-99	-	1,769	-	-	-	826	1,063	-		3,658	245.5	185.1

*Head count adjustment for tuitioned in and open enrollment

Source: District Records

ANALYSIS OF ENROLLMENT BY GRADE
Last Ten Fiscal Years

As of the third Friday in September 1998-2004,										
October 1 or first Monday following October, 2005-2007										
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Kindergarten	437	423	392	390	363	367	333	295	302	315
1	448	427	413	389	395	343	312	315	333	314
2	455	435	405	411	354	324	326	348	323	294
3	453	416	434	382	335	335	352	338	294	302
4	440	455	391	350	334	364	359	312	333	305
5	471	407	369	351	396	374	326	344	314	273
6	429	388	396	422	392	343	360	318	298	285
7	403	405	437	404	369	381	328	300	304	256
8	407	443	405	376	396	348	300	297	267	311
9	439	411	388	409	363	313	309	283	316	279
10	415	390	418	362	330	331	280	300	282	291
11	397	409	368	329	332	283	294	281	269	256
12	437	374	335	329	268	297	272	266	248	217
Pre-school Sp.Ed.	25	13	9	12	10	12	12			
Net Change*	(19)									
Total Enrollment	5,637	5,396	5,160	4,916	4,637	4,415	4,163	3,997	3,883	3,698

*Head count adjustment for tuitioned in and open enrollment

Source: District Sources

OPERATING COST PER PUPIL
Last Ten Fiscal Years

Fiscal Year		Total Costs	Daily Average Membership	General Fund Operating Expenses Per Pupil
2007-08	\$	48,563,110	5,666	8,571
2006-07		43,254,757	5,236	8,261
2005-06		39,164,333	4,958	7,899
2004-05		34,831,387	4,898	7,111
2003-04		31,379,456	4,534	6,921
2002-03		29,870,388	4,386	6,810
2001-02		28,487,789	4,154	6,858
2000-01		26,202,424	3,983	6,579
1999-00		22,799,669	3,855	5,914
1998-99		20,858,051	3,736	5,583

Source: 2008 Certified Annual Report

GENERAL ANALYSIS OF FACILITIES
Last Ten Fiscal Years

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Elementary Schools:										
Lawson K-5 (1958, 1960, 1967, 1998)										
Square Feet	63,353	63,353	63,353	63,353	63,353	63,353	63,353	63,353	63,353	63,353
Number of classrooms	38	38	38	38	38	38	38	38	38	38
Enrollment	486	500	454	464	445	463	463	623	570	559
Wallace PK-5 (1987, 1989)										
Square Feet	66,064	66,064	66,064	66,064	66,064	66,064	66,064	66,064	66,064	66,064
Number of classrooms	44	44	44	44	44	44	44	44	44	44
Enrollment	482	568	553	499	496	500	500	456	550	555
Beaver Creek K-5 (1997)										
Square Feet	97,145	97,145	97,145	97,145	97,145	97,145	97,145	97,145	97,145	97,145
Number of classrooms	45	45	45	45	45	45	45	45	45	45
Enrollment	653	858	799	743	688	623	623	803	778	692
Horizon K-5 (2001)										
Square Feet	100,506	100,506	100,506	100,506	100,506	100,506	100,506	N/A	N/A	N/A
Number of classrooms	44	44	44	44	44	44	44	N/A	N/A	N/A
Enrollment	571	650	605	579	556	533	533	N/A	N/A	N/A
Timber Ridge K-5 (2007)										
Square Feet	111,281	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of classrooms	42	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	537	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Middle Schools:										
Summit Middle School 6-7 (2004)										
Square Feet	176,680	176,680	176,680	176,680	N/A	N/A	N/A	N/A	N/A	N/A
Number of classrooms	66	66	66	66	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	832	793	833	826	N/A	N/A	N/A	N/A	N/A	N/A
Johnston Middle School 8-9 (1984, 1990)										
Square Feet	168,366	168,366	168,366	168,366	168,366	168,366	168,366	168,366	168,366	168,366
Number of classrooms	68	68	68	68	68	68	68	68	68	68
Enrollment	846	854	792	785	1,139	1,062	1,062	895	863	844
High School:										
Johnston High School 9-12 (1972, 1977, 1994)										
Square Feet	213,829	213,829	213,829	213,829	213,829	213,829	213,829	213,829	213,829	213,829
Number of classrooms	71	71	71	71	71	71	71	71	71	71
Enrollment	1,249	1,175	1,120	1,015	1,254	1,201	1,201	1,136	1,146	1,074
Other facilities:										
Administrative Resource Center (2000)										
Square Feet	16,509	16,509	16,509	16,509	16,509	16,509	16,509	16,509	16,509	N/A
Wallace Annex (1987)										
Square Feet	5,405	5,405	5,405	5,405	5,405	5,405	5,405	5,405	5,405	5,405
Number of classrooms	3	3	3	3	3	3	3	3	3	3
Warehouse (2000)										
Square Feet	7,935	7,935	7,935	7,935	7,935	7,935	7,935	7,935	7,935	N/A

Source: District Information

SCHEDULE OF INSURANCE COVERAGE
June 30, 2008

Company	Type of Policy	Period	
		From	To
Employers Mutual Companies	Business Protection - property coverage	7/1/2007	6/30/2008
Employers Mutual Companies	Inland Marine Policy - Scheduled Equipment	7/1/2007	6/30/2008
Employers Mutual Companies	Business Protection - General Comprehensive Liability	7/1/2007	6/30/2008
Employers Mutual Companies	Business Protection - Automobile	7/1/2007	6/30/2008
Employers Mutual Companies	Business Protection- Crime Coverage	7/1/2007	6/30/2008
Employers Mutual Companies	Workers' Compensation	7/1/2007	6/30/2008
Employers Mutual Companies	Umbrella Liability	7/1/2007	6/30/2008
Employers Mutual Companies	Linebacker Policy - Errors and Omission Coverage	7/1/2007	6/30/2008
Employers Mutual Companies	Pollution Liability	7/1/2007	6/30/2008
Employers Mutual Companies	Excess Liability	7/1/2007	6/30/2008

Source: District Records

Note: The dollar amount for self insured reflects the amount paid during fiscal year 2008.

Liability Limits	Annual Premium
Building and property replacement; blanket boiler and vessels - business interruption and extra expense	\$ 107,076
Builders Risk for High School, Middle School	33,708
General aggregate - \$2,000,000; personal advertising limit - \$1,000,000; products/completed operations - \$2,000,000 aggregate; fire damage - \$100,000; any one occurrence limit \$1,000,000; medical expense - \$5,000	21,545
\$1,000,000 liability insurance/\$5,000 auto medical per person; \$1,000,000 uninsured motorist; \$1,000,000 underinsured motorist	33,812
Employee Theft per employee \$1,000,000; forgery or alterations \$10,000; Computer Fraud \$50,000; Funds Transfer fraud \$50,000	2,183
Self Insured-\$350,000 retention per occurrence, \$500,000 employer's liability maximum limit of indemnity per occurrence	153,862
\$10,000,000 Umbrella	30,984
\$1,000,000 Linebacker	5,939
\$500,000 each incident, \$1,000,000 aggregate	1,125
DIC \$10,000,000 limit	7,547
Total Premium	<u>\$ 397,781</u>



JOHNSTON COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2008

Grantor/Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Food Distribution (non-cash)	10.555	FY 08	<u>\$ 132,677</u>
School Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 08	36,834
National School Lunch Program	10.555	FY 08	325,970
Fresh Fruit and Vegetable Program	10.582	FY 08	<u>4,000</u>
			<u>366,804</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 08	<u>113,081</u>
Title I Program for Neglected & Delinquent Children	84.013	FY 08	<u>49,025</u>
Vocational Education - Basic Grants to States	84.048	FY 08	<u>26,296</u>
Safe and Drug-Free Schools and Communities- National Programs	84.184	FY 08	<u>18,782</u>
Fund for the Improvement of Education	84.215	FY 08	<u>53,925</u>
Innovative Education Program Strategies(TitleV)	84.298	FY 08	<u>12,575</u>
Enhancing Education Through Technology(E2T2)	84.318	FY 08	<u>1,250</u>
Title III - English Language Acquisition State Grants	84.365	FY 08	<u>37,737</u>
Improving Teacher Quality State Grants	84.367	FY 08	<u>26,149</u>
Heartland Area Education Agency			
Special Education - Grants to States	84.027	FY 08	<u>269,447</u>
Total			<u><u>\$ 1,107,748</u></u>

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Johnston Community School District and is presented on the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.



**Van Maanen
& ASSOCIATES, P.C.**

Certified Public Accountants

705 Main St.
Pella, IA 50219
641-628-3737

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance
and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Education of
Johnston Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Johnston Community School District, Johnston, Iowa, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements listed in the table of contents and have issued our report thereon dated October 10, 2008. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Johnston Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Johnston Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Johnston Community School District's internal control over financial reporting.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Johnston Community School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Johnston Community School District's financial statements that is more than inconsequential will not be prevented or detected by Johnston Community School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Johnston Community School District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Johnston Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2008 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Johnston Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's responses, we did not audit Johnston Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Johnston Community School District and other parties to whom Johnston Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Johnston Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Van Maanen & Associates, P.C.

Van Maanen & Associates, P.C.
Certified Public Accountants

October 10, 2008

**Van Maanen
& ASSOCIATES, P.C.**

Certified Public Accountants

705 Main St.
Pella, IA 50219
641-628-3737

Independent Auditor's Report on Compliance with Requirements Applicable
to Each Major Program and on Internal Control over Compliance
in Accordance with OMB Circular A-133

To the Board of Education of
Johnston Community School District:

Compliance

We have audited the compliance of Johnston Community School District with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. Johnston Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Johnston Community School District's management. Our responsibility is to express an opinion on Johnston Community School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Johnston Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Johnston Community School District's compliance with those requirements.

In our opinion, Johnston Community School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items IV-A-08 and IV-G-08.

Internal Control Over Compliance

The management of Johnston Community School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Johnston Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Johnston Community School District's internal control over compliance.

A *control deficiency* in the District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Johnston Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the District's responses, we did not audit Johnston Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Johnston Community School District and other parties to whom Johnston Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

Van Maanen & Associates, P.C.

Van Maanen & Associates, P.C.
Certified Public Accountants

October 10, 2008

JOHNSTON COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2008

Part I: Summary of the Independent Auditor's Results

- (a) Unqualified opinions were issued on the financial statements.
- (b) No significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No significant deficiencies in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) Major programs were as follows:
 - CFDA Number 84.027 - Special Education - Grants to States
 - Clustered programs:
 - CFDA Number 10.553 - School Breakfast Program
 - CFDA Number 10.555 - National School Lunch Program
- (g) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (h) Johnston Community School District did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE

No matters were noted.

SIGNIFICANT DEFICIENCIES

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards

INSTANCES OF NON-COMPLIANCE

No matters were noted.

SIGNIFICANT DEFICIENCIES

No matters were noted.

JOHNSTON COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2008

Part IV: Other Findings Related to Required Statutory Reporting

- IV-A-08 Certified Budget – Expenditures for the year ended June 30, 2008 exceeded the amount budgeted in the support services function.
- Recommendation – The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.
- Response – Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.
- Conclusion – Response accepted.
- IV-B-08 Questionable Expenditures - No expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-08 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-08 Business Transactions - No business transactions were noted between the District and District officials or employees.
- IV-E-08 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-F-08 Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-G-08 Certified Enrollment - A variance in the number reported for total supplementary weighting was noted.
- Recommendation - The variance needs to be reported to the Department of Management as well as the Department of Education.
- Response - We will report to the Department of Management and Department of Education to resolve this issue.
- Conclusion - Response accepted.
- IV-H-08 Deposits and Investments - No instances of noncompliance were noted with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy.
- IV-I-08 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.